# REPORT OF THE TASK FORCE ON CHILD CARE

Canada

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# CHILD CARE

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Status of Women Canada
Condition Féminine Canada

Canada

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March 1986

The Honourable Walter F. McLean
Minister Responsible for the Status of Women
House of Commons
Ottawa, Ontario

Dear Minister:

We are pleased to submit the report of the Task Force on Child Care.

As required by our terms of reference, we have examined and assessed the need for child care and parental leave in Canada, as well as the adequacy of current systems, and made recommendations on the federal government's role in the development of a national system of quality child care.

The Task Force members owe a debt of gratitude to the researchers who prepared the technical studies upon which we based many of our recommendations. As well, we must acknowledge the thousands of individual Canadians who took the time to share their views with us. One message has clearly emerged from all of these submissions: Canada desperately needs a system of accessible, affordable, quality child care, as well as employment policies to enable Canadians to combine work and parenting responsibilities. The attached report describes how these systems can be provided.

Yours sincerely,

Katie Cooke
Dr. Katie Cooke, Chairperson

Jack R. London — Renée Edwards — Ruth Rose-Lizée

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Ruth Rose-Lizée

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Special thanks are due also to provincial government day care officials who responded to endless enquiries from researchers for the Task Force, as well as from our staff, and provided vital information regarding the status of day care in their provinces. Without their cooperation and advice, an overview of the present situation could never have been presented.

We would also like to acknowledge, and extend our appreciation to, the more than 7000 parents who wrote to us to share their child care problems, successes, concerns, and hopes for a better system. We would also like to acknowledge the more than 200 organizations, individuals and groups who took the time to formulate and forward to us submissions on the status of child care and parental leave. This input was critical to our understanding of the enormity of the problems facing Canadian families today.

To the day care centres and parents who allowed us to take and use the photographs in this report, to the Swedish Embassy, which provided us with the photograph facing Chapter 11 and vital statistics on the Swedish child care and parental leave systems, and to the Embassy of the Federal Republic of Germany, which provided the photograph facing Chapter 12, we offer our thanks and appreciation.

Finally, we would like to thank the consultants who conducted research for the Task Force, our editors and staff, without whose efforts this report could not have been completed.

# Preface

PROVIDING QUALITY CHILD care for today's and tomorrow's children, and adequate leave policies for parents are major challenges of the 1980s. The federal government recognized the concern of parents and leading professionals in the field when, in May 1984, it appointed a Task Force on Child Care to study the issue and make recommendations to the government. This four-member Task Force was comprised of:

> *Dr. Katie Cooke, Chairperson, First President of the Canadian Advisory Council on the Status of Women and retired public servant;*
>
> *Renée Edwards, former Executive Director of the Victoria Day Care Services, Toronto;*
>
> *Jack R. London Q.C., Professor of Law, University of Manitoba; and*
>
> *Ruth Rose-Lizée, Professor of Economics, University of Quebec at Montreal, and researcher on economic issues related to women.*

The Task Force on Child Care was assigned the mandate to:

1. *examine and assess the need for child care services and paid parental leave in Canada as well as the adequacy of the current system in meeting this need, including:*
   - (a) *the system of financial support provided by the federal and provincial governments;*
   - (b) *affordability and availability, to parents at different levels of income in various regions of the country, of child care services that are consistent with their needs and preferences;*

AND

2. *make recommendations to the Minister Responsible for the Status of Women, concerning the federal government's role in the development of a system of quality child care in Canada, with particular reference to:*

(a) *financing measures, including the taxation system, public insurance schemes, transfer payments and federal/provincial cost-sharing arrangements;*

(b) *other aspects of the federal government's role in relation to child care, including its role as employer.*

Very early in our mandate, we recognized the need for up-to-date Canadian information. Twenty-five research projects were undertaken, including four major surveys, namely: *Parents' Needs, Preferences, and Concerns about Child Care: Case Studies of 336 Canadian Families*; "The Price of Child Care in Canada: A National Survey"; *The Bottom Line: Wages and Working Conditions of Workers in the Formal Day Care Market*; and "International Perspectives on Child Care and Parental Leave." For the international survey, a questionnaire was designed by the Task Force, and the information collected by Canadian missions in 20 countries. The research papers that have been published with this report are listed in Appendix B.

We also solicited the views of parents, child care providers, child care associations, ethnic groups, women's groups, and various other non-governmental organizations with an interest in children. Twelve hundred interest groups were invited to make submissions to the Task Force, and more than 200 briefs were received. The organizations that submitted briefs to the Task Force are listed in Appendix C. A flyer directed to parents was enclosed with the October 1984 family allowance cheques mailed to 3.8 million households. This drew a significant response from more than 7000 parents. A consultative process was initiated by the Task Force, and visits were made to Frobisher Bay, Northwest Territories; Moncton, New Brunswick; Charlottetown, Prince Edward Island; Sydney, Nova Scotia; and Winnipeg, Manitoba. The input received from the briefs, submissions and letters from individuals and groups contributed immeasurably to our understanding of the issues within our mandate.

We found that quality child care, or the lack thereof, is a daily issue for a significant portion of Canadian families. During the course of our work, we came to realize and appreciate the enormity of the problems and needs of families with children. We have become convinced that sound child care and parental leave programs can no longer be considered a frill, but, rather, are fundamental support services needed by all families in Canada today.

It is in this spirit that we have developed and present our recommendations. We have made every attempt to develop recommendations that provide realistic options for our country as we approach the twenty-first century. We hope that this report will generate free and open discussion of the issues and will mark the beginning of a process that leads to real progress for children and their families.

During the term of our mandate, we were gratified by the announcement of the government's intention to establish a Parliamentary Committee to focus on the issue. We view this as a positive step, and trust that our work will provide a foundation upon which the Committee's consultations can commence. We look forward to the public debate, which we feel certain will follow release of our report and will continue throughout the consultation process undertaken by the Parliamentary Committee, and beyond. We know that these issues will not disappear, but will continue to be debated until they are resolved.

# Introduction

The need for child care is not new. Parents have always needed child care support to enable them to fulfil work, study, or other obligations, or to provide temporary relief from the pressures of raising a family. In the past, when parents could rely on members of extended family networks and lived in smaller communities, this support was generally available. In the case of the very wealthy, paid nannies, governesses or tutors were available to share child care responsibilities.

Over the years, as the extended family gradually gave way to the nuclear household, and society became more mobile, these familial child care support systems largely disappeared. Parents turned to paid neighbourhood babysitters to fill their child care needs. More recently, the increased participation of mothers in the paid labour force has caused, simultaneously, a dramatic increase in the demand for supplementary child care, at the same time that the supply of informal neighbourhood services has diminished. The result has been a growing crisis in child care services.

This crisis was recognized by the Royal Commission on the Status of Women in its 1970 report. At that time, the Commission pointed out that parents require supplementary child care to allow them to fulfil both work and parental responsibilities. The Commission's report emphasized that society has a role to play in contributing to the development of services aimed at nurturing dependent children, and that the equality of women would be meaningless without the provision of these services.

In reviewing the current child care situation in Canada, the Task Force on Child Care found that the need for affordable, accessible, quality child care has become even more acute in the years since the Royal Commission reported. In our report, we have attempted to present a comprehensive picture of child care as it exists today, and to set out a framework for the development of quality child care services and a complementary system of parental leave to meet the needs of Canadian families.

As our focus has been on non-parental care which supplements that which is provided by parents, we have not addressed the issue of how parents themselves should treat their children in their own homes. Similarly, our mandate did not include consideration of the care of children in programs provided under education legislation; those in the care of a medical or other institution on a 24-hour basis; or those in the care, custody or guardianship of a caregiver designated by child welfare legislation.

In an effort to keep our report to a manageable length, we have not repeated all of the findings of the research that was done for us. Instead, six series of research reports have been published separately.

Our report is divided into three parts. Part I provides an overview of the state of child care and parental leave in Canada today. It includes a discussion of the dynamics of the modern family and examines support systems for working parents, including parental leave arrangements. The report identifies the number and characteristics of children needing care, and examines the extent to which existing child care arrangements meet these needs. As well, Part I looks at the situation and characteristics of child care workers, including their wages and working conditions.

Part I continues by setting out qualitative and quantitative measures of good care, and comparing these measures of quality with current provincial standards. An analysis is then provided of current government spending on child care and the impact of these measures of Canadian families. Finally, the inadequacies of the current system of child care are assessed.

In Part II, child care is examined in comparative terms. The Canadian child care system is measured against other social services in Canada, such as the health and education systems. Child care and parental leave systems in other countries are then examined and compared to the Canadian situation.

Part III sets out our recommendations for the development of complementary systems of child care and parental leave for Canada. The division of roles and responsibilities among federal, provincial and municipal governments in the development and maintenance of such systems are discussed, the costs are outlined, and short-, medium- and long-term cost-sharing mechanisms are proposed. Finally, the social and economic benefits of the recommended systems are weighed against the costs.

# PART I

# Child Care in Canada Today

# 1

# Changing Families, Changing Needs

## INTRODUCTION

DURING THE TWO decades from the mid-sixties to the mid-1980s, a major transformation took place in Canadian families. Families are smaller now, as couples start their families later, have fewer children, or none at all. A rise in divorce rates has resulted in more single-parent families, a large proportion of whom live on incomes below the poverty level. The rate of participation by married women in the labour force has risen rapidly, and the rate by mothers of young children fastest of all. Real family incomes for two-parent families rose during the 1970s, due, in large part, to the contribution of wives' earnings, and then declined in the early 1980s as a result of the recession.

During this period most of the baby-boom generation (those born between 1946 and 1966) started forming families of their own. This generation of parents follows some patterns very different from those of their own parents. Most striking is the shift from one-earner to two-earner families. The so-called traditional family consisting of a father as breadwinner, and a mother at home caring for two or three children — so typical in the 1950s — is now no longer the norm. The typical Canadian family today has only one or two children, and mother works outside the home, usually in a full-time job, even when her children are very young. With this shift have come changes in attitudes and values, as we shall see later in this report.

These are profound changes and they have had an impact on many aspects of the lives of Canadians. Most importantly for the purposes of this report, they have greatly increased the need for child care and parental leaves of various kinds, at the same time reducing the availability of informal forms of care.

The Royal Commission on the Status of Women first sounded the alarm in 1970 that a crisis in child care could be anticipated as a result of these phenomena. Fifteen years later, the accuracy of this prediction is evident. "We are faced with a situation that demands immediate action," said the Commission. "The time is past when society can refuse to provide community child care services in the hope of dissuading mothers from leaving their children and going to work."[1]

In 1984, the Royal Commission on Equality in Employment made the same point, emphasizing the urgent need for action. It its report,[2] the

Commission said that "the urgency and unanimity of the submissions made by women in all groups on this issue impel this Commission to give it special attention."

As we shall see later in this chapter, the available data reveal a significant and continuing rise in labour force participation by mothers with young children over the past two decades. When the Status of Women Commission reported in 1970, only 20 per cent of mothers with children under 14 were in the labour force. By the time the Abella Commission reported in 1984, 59 per cent of mothers with children under 16 were in the work force.

Yet, despite clear evidence of the irreversibility of these changes, policy discussions about child care still frequently ask whether mothers should be "encouraged" or "discouraged" from seeking employment outside their homes. The underlying belief seems to be that, by not making good child care services available, mothers will be "encouraged" to remain out of the labour force. Yet, all indications are that those mothers who have gone out to work have done so despite the inadequacies of the child care system. In the absence of quality child care services at an affordable price, families have settled for whatever was available and within their means.

In subsequent chapters we will assess the adequacy of existing child care and parental leave programs in Canada, together with concerns about the quality of care arrangements for which parents have settled in the absence of additional public support. In this chapter we will examine briefly the changes that have occurred to Canadian families in recent years, and the implications of these changes for public policies in support of family life.

Many of the data presented in this chapter are derived from the 1981 census, supplemented in some cases with more recent statistics. The reader will no doubt share our frustration at the discordance between available data and our data needs for analytical and policy purposes. In the labour force survey, we have, for example, recent data on the labour force activity of mothers by age of their youngest child; but we don't know how many children these mothers have. The age categories used by the Labour Force Survey (under 3; 3 to 5; 6 to 15) provide us with some useful information, but do not correspond with age groups of children requiring various child care services. We know also that there were approximately 5.25 million children under 14 in Canada in 1981, but not how many families had children in this age group. The data that we present in this chapter, as well as elsewhere in this report, are the best we found available from existing published and unpublished tabulations. The lack of better data is, perhaps, a reflection of the profound disinterest in the lives and welfare of children and their families, which we detect on the part of governments and policy makers in Canada.

## FAMILIES WITH AND WITHOUT CHILDREN

Statistics Canada uses several definitions of what constitutes a *family*.[3] Since most of the data presented in this chapter are derived from the census, they refer to the *census family*, rather than the *economic family*. For purposes of the census, a family can consist of: a couple (married or living in a common-law relationship); a couple with *children*[4] (unmarried offspring of any age) living in the same dwelling; or a single-parent family with *children* living in the same dwelling. When using these data, it is important to keep in mind that only about half of census families contain minor children.

Of the total 6.3 million families in Canada at the time that the 1981 census was taken, 57 per cent were two-parent families with children, down from 67 per cent at the 1961 census. Couples without children accounted for 32 per cent of all families at the 1981 census (up from 27% in 1961). This shift reflects both the tendency of young adults to leave home prior to marriage, and the growing phenomenon of childlessness among the baby-boom generation. Single-parent families headed by women accounted for nine per cent of all families in 1981 (four per cent in 1961); and male-headed single-parent families, for two per cent (one per cent in 1961).

The great majority of young children still live in two-parent families, although a growing minority are now found in single-parent families. On June 1, 1981, when the census was taken, there were just over two million children under the age of six in Canada, 91 per cent of whom lived in two-parent families. Of the 3.25 million children aged 6 to 13, 87 per cent lived in two-parent families. Because the census gives us data for a point in time, we don't know what proportion of these children have always lived with the same parents, and conversely, what proportion are or have been part of what is now known as a *blended* family, that is, a family resulting from remarriage.

## FEWER CHILDREN AND LATER PARENTING

Among husband and wife families of working age, average family size decreased from 3.9 in 1961 to 3.48 in 1981. Large families have virtually disappeared. Almost 25 per cent of married women born between 1922 and 1927 — many of them grandmothers today — had at least five children. Today, just five per cent have or expect to have as many children.

At the peak of the baby boom in the early 1960s, Canada's fertility rate was close to 4.0 births per woman. By 1981, the rate had dropped to 1.7 births per woman. Indications are that declining fertility, which almost all industrialized countries have been experiencing, will continue. Some projections suggest rates may drop to 1.4 by the end of the century.

The reasons for this decline in fertility are many and varied. A recent Statistics Canada publication on the subject,[5] cites several key factors, including decline in the marriage rate, delay of first births, reduction in unplanned and unwanted pregnancies due to improved family planning methods, preference for smaller families, changing roles of women in society and the family, as well as economic conditions. Of the changes in women's behaviour, education appears to have the most influence: level of education has a strong influence on the mother's age at first birth, which in turn results in smaller family size. As for economic conditions, Romaniuc notes that the decline in fertility has occurred over a period of high rates of inflation (including spiralling housing costs), high unemployment especially among young workers, deteriorating relative incomes of young families, and a sharp rise in the labour force participation of young women. He also speculates that the availability of good child care options may have an influence on fertility but concludes that insufficient empirical work has yet been done to draw any firm conclusions on this point. On the other hand, many of the parents who wrote to the Task Force considered the lack of child care and parental leave programs to have directly affected their own child-bearing decisions.

> *I have only one child and part of my reasoning for not having had more is lack of adequate day care facilities up till the age of 2.*
>
> *Leah Rensfelt*
> *Selkirk, Manitoba*

> *Many people, women especially, in my office were shocked when they learned I was pregnant for the third time. They thought two was sufficient, and why would I do this, when child care for three children would cost so much? Personally I love children, and had weighed the advantages against the disadvantages, and decided for a third. Many women decide it's not worth it and stop with one or two, and many have no children. It has become a luxury to have children.*
>
> *Marilyn Routly*
> *Cobourg, Ontario*

> *I ask you to take a look at the question of how many women are choosing not to have children because there is no system of child care in this country to replace the extended family network which no longer exists. How many other women like me are there, who are educated, responsible and caring, but who know that having a child may not be possible until there is some assurance that a system exists to ensure that it is looked after while its female parent works?*
>
> *Sharon Buness*
> *Frobisher Bay, N.W.T.*

Canadian women now wait longer to have their first child and space any subsequent children further apart. In the 1960s, the average age of mothers at the birth of their first child was 23.5 years. By 1980, the average age had risen to nearly 25 years. Employment and Immigration Canada reports that the average age at which mothers in the work force claim maternity benefits is 27 years. While no Canada-wide data on child-spacing are available, the median interval from marriage to the first birth in the United States nearly doubled between the early sixties and the late seventies (from 14 months to 24 months), and the median interval between first and second births lengthened from 25 months to 32 months over the same period.

More couples are now choosing not to have any children, and "all the evidence points to a significant rise in voluntary childlessness in the years to come."[6] Estimates of the proportion of young women in Canada and the United States who will forego maternity altogether range from 16 per cent to 25 per cent.

## FEWER ONE-EARNER FAMILIES

Perhaps the most significant change during the 1970s was the demise of the one-earner family and its replacement by the two-earner family as the predominant family type. The increasing labour force participation of married women has been well documented. But even today, policy makers still tend to think in terms of the "traditional family," testing the impact of policy proposals on the husband-wife family in which the wife does not work outside the home.[7]

> *I often have the impression that all the programs and solutions provided are based on the model of the traditional family and that other models are seen as only temporary. There is no point promoting the cause of women if we neglect their reality.*
>
> *Lise Lessard*
> *St. Bruno, Quebec*
> *(translation from French)*

As Figure 1.1 shows, between 1961 and 1981, one-earner couples were replaced by both two-earner couples and single-parent families. By 1981, husband and wife were income earners in half of all families,

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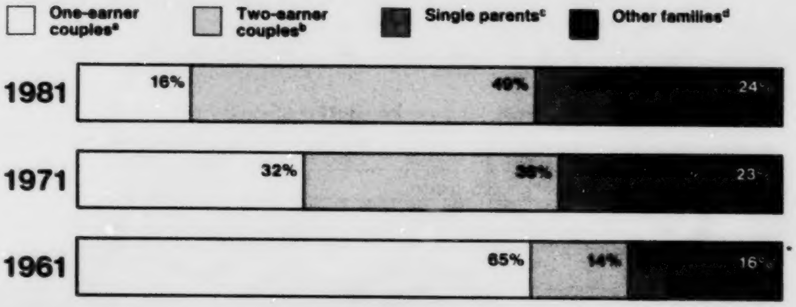
**FIGURE 1.1**

**Family Types by Income Earner(s)**



**Source:** Statistics Canada, *Women in Canada: A Statistical Report*, 1971 and 1981, (Ottawa: March 1985), Catalogue No. 89-503E, Table 1, p. 6 and Table 2, p. 69.

Dominion Bureau of Statistics, *Census of Canada, 1961: Households and Families*, (Ottawa: July 1964), Table 93, p. 93-1, and Table 73, p. 73-1.

**Notes:** *not 100% due to rounding.

[a] *One-earner couples* refers to married couples, with or without children, in which only the husband is an income earner.

[b] *Two-earner couples* refers to married couples, with or without children, in which both spouses are income earners.

[c] *Single parents* refers to single adults, either male or female, with at least one child. The adult need not be an "income" earner; i.e. includes single parents on government support.

[d] *Other families* includes: husband-wife families in which neither spouse is an income earner, and families with more than 2 income earners.

whereas only 16 per cent of families were comprised of a breadwinner-homemaker combination, and 11 per cent were led by single parents.

Not all of these families had young children, of course. Data on families by employment status of adults and presence of children by age are not available from published sources.

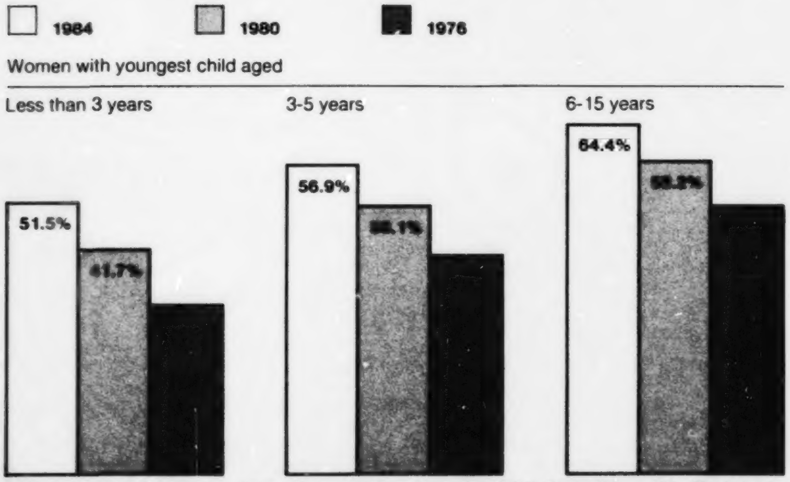
## EMPLOYMENT AND UNEMPLOYMENT OF MOTHERS

Recent information on the labour market activity of mothers reveals a dramatic and continuing increase in participation rates for mothers, particularly those with young children. By 1984, 52 per cent of mothers with a child under three, 57 per cent of mothers whose youngest child was three to five, and 64 per cent of women with school-aged children were in the labour force, representing increases of 62 per cent, 39 per cent, and 29 per cent respectively, in just eight years.

By way of comparison, the participation rate for women without children who were under 55 years of age in 1984 was 73 per cent and for those over 55 was just 20 per cent.[8] Mothers do, therefore, have lower participation rates than their contemporaries without children, but the majority of mothers with children of all ages are now in the labour force.

**FIGURE 1.2**

**Labour Force Participation Rates of Women with Children, 1976, 1980, 1984, Annual Averages**



**Source:** Statistics Canada, *The Labour Force*, (Ottawa: December 1984), Table 65A, p. 100.; *The Labour Force*, (Ottawa: May 1982), Table 4, p. 106.

*The days of the little house in the suburbs with the kids coming home from school to be greeted with Mom in an apron and the smell of fresh baked cookies and piles of sundried bedding waiting to be put in the linen cupboard are long gone. Mom can't afford to stay home any more, not when the mortgage is $900 a month and Johnny needs braces and new Nikes and Levis and the transmission of the car Dad commutes in is shot.*

*Rachel Robertson*
*Halifax, Nova Scotia*

The sharp rise in labour force participation by mothers in recent years has such significance for the demand for child care services that the current situation deserves a closer look. Figure 1.3 shows the distribution of Canadian women 15 years and over among full- and part-time employment, unemployment and non-participation in the labour force in 1984.

Employment patterns for men of child-rearing age are somewhat different. The Labour Force Annual Averages 1984 shows that 69 per cent of men between 15 and 54 worked full-time in 1984, and only 6 per cent worked part-time. Another 10 per cent were unemployed, and 15 per cent were not in the labour force. Data on the labour force activity of men with and without children, and by presence of spouse, are not available from published sources.

## Mothers Not in the Labour Force

Looking first at the proportion of women who were not in the labour force, we find that, contrary to popular belief, the rate of "labour force inactivity" was higher for women over 55 without children than for any group of mothers. Data for women over 55 must be read with caution, of course, since the category includes a great many retired women (especially among those without husbands and those whose husbands are not employed). However, 63 per cent of women over 55 whose husbands were employed were not in the labour force in 1984, whereas only 43 per cent of mothers with employed husbands and children three to five years of age did not participate in the labour force. This reflects a significant shift in behaviour between these generations of women.

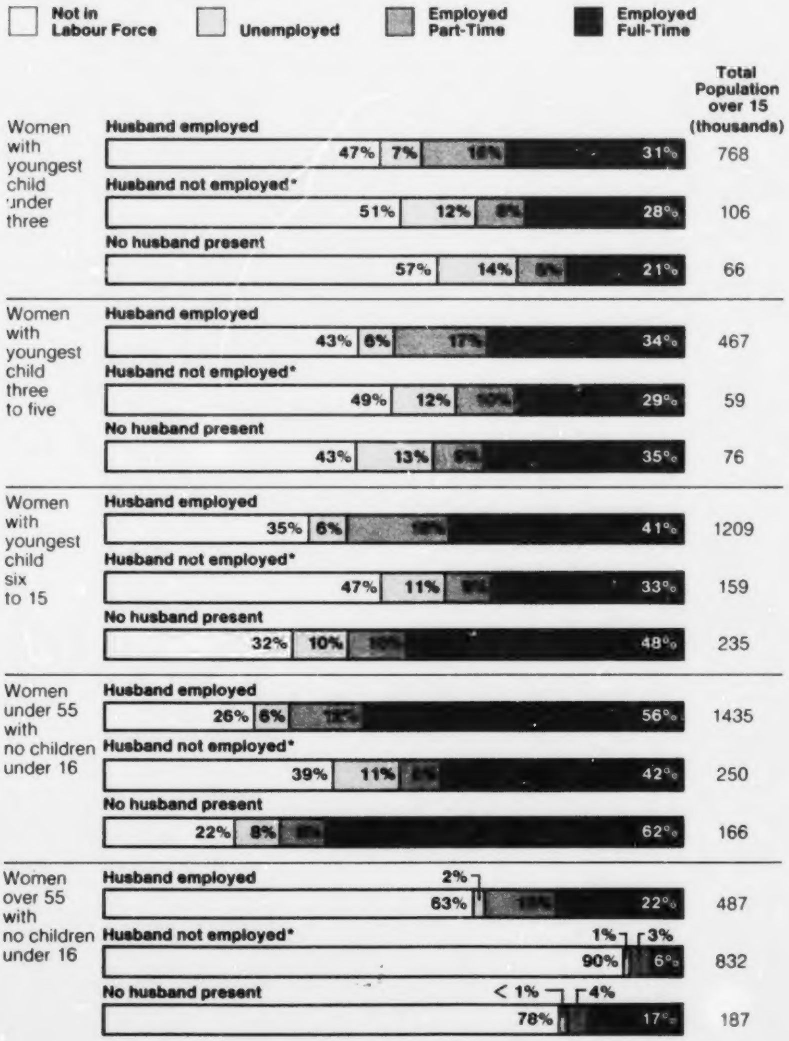
After older women, the group least likely to be found in the labour force is single mothers with children under three (57% not in labour force), followed by mothers with children in all three age groups whose husbands are not employed (51% for those with children under three; 49% for those with preschoolers; 47% for those with school-aged children).

## Unemployment

The unemployment experience of mothers in 1984 did not differ significantly from that of their childless counterparts. The proportion of women who were unemployed was consistently higher for women whose husbands were not employed than for women with employed husbands, reflecting, in part, the effect of regional unemployment patterns. Unemployment was also experienced by a much larger proportion of single mothers with young children, than by married women with similar-aged children.

**FIGURE 1.3**

## Labour Force Activity of Women, 1984 Annual Averages



**Source:** Adapted from Statistics Canada, *The Labour Force*, (Ottawa: December 1984), Table 65A.

**Notes:** * "Not employed" here means unemployed or not in the labour force.

## Full- and Part-Time Employment

Comparing part- and full-time employment, we find that the great majority of mothers who were employed worked full-time in 1984. Seven out of 10 employed mothers worked full-time; only three in 10 worked part-time.

Patterns of full- and part-time employment show some interesting differences among groups of women. Examination of Figure 1.3 reveals that 12 to 18 per cent of women with employed husbands worked part-time, whether or not they had children, whereas only 8 to 10 per cent of women under 55 who were without husbands or whose husbands were not employed, did the same. These results suggest that presence of an employed spouse is of more significance to the decision to work part-time than is presence of children. Part-time employment is, however, somewhat more prevalent among women with children than among those without.

Whether or not parents would prefer working arrangements other than those they have been able to make is not at all clear, nor is it easy to determine. Results of a survey conducted for the Task Force[9] suggest a preference for part-time employment by mothers, especially those with school-aged children. Overall, 31 per cent of mothers in two-parent families and 35 per cent of single parents in this sample felt that part-time employment would best meet their own needs and those of their families. Full-time employment was preferred by 40 per cent of the single parents with preschool-aged children in this sample, and by 33 per cent of their married counterparts. Much smaller proportions of mothers with infants or school-aged children preferred full-time employment.

Only a small minority of mothers in this sample believed that full-time homemaking was the best arrangement for them and their children (17 per cent of mothers in two-parent families and 14 per cent of single parents). Not surprisingly, a larger proportion of mothers with an infant preferred to be at home with the child (33% of single parents; 23% of mothers in two-parent families).[10]

As these findings are based on a small sample, they should not be viewed as necessarily representative of the general population of Canadians. Findings regarding part-time employment and homemaking options, in particular, may not be representative, since part-time workers were over-represented and homemakers under-represented in the sample.

Also, expressed preferences are not always good predictors of behaviour. Preference of the mother is only one of many considerations in the complex family decision as to working arrangements. Her preference may not be shared by her husband, or their options may be constrained by income considerations,[11] or by lack of availability of the preferred option. Much more research must be done before any firm conclusions can be drawn as to the preferences of Canadian families for employment and homemaking lifestyle options. In addition, we can expect such preferences to continue to evolve rapidly, as they have over the past decade.

In the meantime, we do know that most mothers are now remaining in the labour force after the births of their children. Others, who do elect to stay at home with young children for a period of time, now return to the labour force much more quickly than their own mothers did. It is also evident that the shift to this pattern of parenting shows no sign of slowing down.

## MORE SINGLE-PARENT FAMILIES

During the 1960s and 1970s the number of single-parent families increased sharply, particularly single-parent families headed by women. Single-parent families in 1981 accounted for 11 per cent of all Canadian families, compared with 9 per cent when the 1971 Census was taken, and 6 per cent in 1961. Interestingly, the last time that single-parent families formed such a large part of the population was during the 1930s, but the reasons were different then. Three-quarters of lone parents in 1931 and 1941 were widowed. By 1981, 57 per cent of lone parents were separated or divorced; another 10 per cent had never married. The remaining 33 per cent were widows and widowers.

Throughout the 1970s, both divorce and remarriage increased, although recently the rate of remarriage has slowed down. However, the likelihood that a divorced woman will remarry has declined over this period. By 1980 less than half of women divorced at ages under 35 had eventually remarried.[12] As a result, a mother who becomes a single parent while her children are still young is increasingly likely to have the sole responsibility for raising them during their formative years.

We saw in Figure 1.3 that far fewer single parents with young children were employed in 1984 than were their married counterparts, likely reflecting the effects of the welfare trap and the tremendous personal cost of raising children alone. This is particularly true for women with children in the youngest age group: of all single-parent mothers with children under three in 1984, only 29 per cent were employed. Another 14 per cent were unemployed, and 57 per cent were not in the labour force. On the other hand, the proportion of single parents with school-aged children who were employed was comparable to that of their married counterparts.

In the Task Force survey of parents' preferences for different work patterns, the single parents interviewed expressed a strong preference for part-time work if their children were infants (39%) or of school age (37%).[13] On the other hand, single parents with preschool-aged children preferred full-time employment (40%) over other options by a considerable margin. Only among single parents with infants (under two years of age) did a significant proportion believe that the best choice for themselves and their children would be to remain at home with the child (33%).

That 66 per cent of single-parent women whose youngest child was between three and five, and 71 per cent with children under three, experienced employment and earnings interruptions in 1984 should be a matter of grave concern, particularly in light of the fact that these families are among the poorest in Canada today. Clearly, these mothers find that current welfare, child care and family support programs provide insufficient assistance to enable them to successfully combine employment and family responsibilities. This is a subject to which we will return in subsequent chapters.

## FAMILY INCOMES

Between 1970 and 1980, in families in which both husband and wife were in the work force, wives' contribution to family income increased from 27 to 30 per cent, while that of husbands dropped from 68 to 65 per cent.[14] Wives who were employed full-time in 1980 contributed an average of 40 per cent to the family income. When the wife worked part-time or part-year, her earnings contributed 23 per cent of family income.

Between 1980 and 1985 all family incomes were eroded by the recession, but some families were more vulnerable than others. Poverty, which had substantially declined in Canada during the 1970s, suddenly increased in 1982 and again in 1983.[15] Young families faced serious difficulties during the recession, as the poverty rate for families led by a person under the age of 25 increased from 21 per cent in 1980 to 35 per cent in 1983. Single-parent families, especially those headed by women, continued to be particularly vulnerable to poverty. In 1983, 49 per cent of all female single parents had incomes below the government-established

### TABLE 1.1

### Family Incomes: 1985
### Families with Children Under 12 Years of Age

| | Number of Families (thousands) | Average Family Income[a] ($) |
|---|---|---|
| **Parent(s) Employed** | | |
| Two-earner families[b] | 1 175 | 44 840 |
| One-earner families[c] | 907 | 34 460 |
| Single-parent families[d] | 175 | 22 660 |
| **Parent(s) Not Employed** | | |
| Private source income[e] | | |
| — two-parent families | 10 | 25 770 |
| — single-parent families | 16 | 15 092 |
| Government source income[f] | | |
| — two-parent families | 136 | 13 230 |
| — single-parent families | 170 | 8 820 |

**Source:** Health and Welfare Canada, Quantitative Analysis Division, Policy, Planning and Information Branch.

The data presented in this table are extracted from the 1985 Aged Data Base developed from the 1983 Survey of Consumer Finances (1982 incomes) public use micro-data set for Census Families, under certain income and demographic growth consumptions.

**Notes:** [a] Average family income includes income from all sources: employment and self-employment (of all family members), investments, alimony or maintenance, social assistance benefits, pension income, family allowances and unemployment insurance benefits (Child Tax Credit not included).

[b] Both parents have earnings from employment or self-employment exceeding $1000 and exceeding income from government sources.

[c] Only one parent in a two-parent family has earnings from employment or self-employment exceeding $1000 and income from government sources.

[d] A single-parent family, in which the parent has earnings from employment or self-employment exceeding $1000 and income from government sources.

[e] Families in which the parent(s) have less than $1000 earnings from employment or self-employment but have private income from other sources which exceeds government transfers. Sources of private, non-employment income include investments, maintenance or alimony and private pension plans.

[f] Families whose principal source of income is government transfers, including unemployment insurance benefits, social assistance, public pensions and family allowances.

poverty line, together with 21 per cent of male single parents. The proportion of Canadian children living in poverty rose sharply during the recession, with the result that by 1983, 1 131 000 children under the age of 16 were poor, an increase of 26 per cent in just 3 years.

Using data from the most recent Survey of Consumer Finances, Health and Welfare Canada provides the profile of incomes for families with children under the age of 12 in 1985 seen in Table 1.1.

Not surprisingly, average family incomes were highest for two-parent families in which both husband and wife were employed and lowest for families whose principal source of income was government transfers. In families in which both husband and wife had earnings from employment, approximately one-third of family income was contributed by the wife, and two-thirds by the husband. One-earner or traditional families had an average income of $34 460 in 1985, or 77 per cent of average earnings for families in which both husband and wife were employed. Average incomes for single-parent families were much lower: exactly half of the two-earner average and less than two-thirds of the average income of a one-earner couple.

## FAMILY SPENDING ON CHILD CARE

> *I pay just over half my net salary on child care. I shudder when I imagine what life would have been like if I had been a single parent.*
>
> *Helen Cheung*
> *Winnipeg, Manitoba*

In most two-parent families with young children, both mother and father are now in the work force. What do these families pay for child care, and what proportion of their family budgets is allocated to child care costs? Unfortunately, the available information provides only a partial answer to these questions.

Statistics Canada collects information on child care expenditures as part of a regular survey of family incomes and expenditures. According to the most recent published data from this source, families in which the mother was employed full-time spent an average of $1637 on child care in 1982. The survey indicates that families in which the mother was employed part-time spent an average of $718 in 1982. Unfortunately, the survey does not reveal what proportion of family budgets is consumed by child care costs in those families which incur such costs.

Table 1.2 shows the average amount spent on various types of child care by families which reported spending on child care. Some families may have spent money on more than one kind of care.

These average figures do not reflect the actual cost of child care today for a number of reasons. Firstly, prices and incomes have, of course, risen since 1982. Secondly, not all parents, even those working full-time, use full-time child care. Some full-time-employed parents use part-time arrangements by working alternative shifts or by combining arrangements. Also, after-school care for school-aged children has been averaged in the table with more expensive care for preschool children. Thirdly, many low-income parents who find subsidized care for their children are required to contribute a portion of the cost; therefore any expenditure they report, even for full-time licensed care, is considerably lower than the cost of this care. Similarly, in the three provinces that provide operating grants to centres or other licensed spaces, parents pay less than the full cost of care. Special arrangements, which some parents are able to make with a relative or friend at preferential rates, bring down the average, as would part-year arrangements covering school holidays for school-aged children who normally are left alone after school.

Therefore, such an average figure, while useful for some purposes, cannot be taken as an indication that child care was actually available to Canadian families at these rates in 1982. Indeed, as we shall see in Chapter 8, the annual cost to parents who must seek child care at market prices is more than double these figures.

The Social Planning Council of Metropolitan Toronto concluded in 1984 that child care expenses virtually double the cost of raising a child in that city. The Council estimated the cost of raising a child from birth to age 18 (in 1984 dollars) at $66 500, exclusive of child care costs.[16] For families that incur 10 years of child care expenses at then prevailing rates for licensed care in that city, the total was $106 800. During the period when child care expenses are incurred (from birth through age nine in the Council's calculations), the cost of child care exceeded all other costs of raising the child combined.

Results of a survey conducted for the Task Force indicate that in 1984 a couple with two children — an infant and a three-year-old — could expect to pay approximately $6970 for full-day licensed child care ($4800 for care in the informal market). These expenditures represent 21 per cent of disposable income for a family earning the 1984 average income for two-earner families, of $43 000 (14% if informal care is used).[17] Child care expenses would, of course, consume a larger part of the disposable incomes of lower-income families and a smaller part of the incomes of higher-income families. Thus, we must conclude that child care expenses consume a large portion of the budgets of the increasing number of families that must resort to care arrangements offered at market prices.

### TABLE 1.2

### Expenditures on Child Care, 1982

| | Average Amount Spent Per Family | |
|---|---|---|
| | Wife Employed Full-time ($) | Wife Employed Part-time ($) |
| **Day care centres and day nurseries** | 1 900 | 868 |
| **Other child care outside the home** | 1 451 | 755 |
| **Week-day child care in the home** | 1 779 | 758 |
| **Other child care in the home** | 244 | 206 |
| **Child care (total category)** | 1 637 | 718 |

**Source:** Statistics Canada, *Family Expenditure Survey*, (Ottawa), Microfiche Table 11891.

## CHANGING FAMILY LIFESTYLES

The changes to Canadian families that we have explored in this chapter — fewer children, more divorces, more mothers employed in the labour force, eroding family incomes among young families with children — profoundly affect the lives of Canadian children and their parents. New patterns of family life give rise to needs for social services with a different emphasis than in the past.

> *I guess the old fashioned idea that the mother stays home and looks after the home and the children and the father is the bread winner is only a figment of our imagination now-a-days. Parents have to be much more flexible as do children.*
>
> *Jacqueline Sonley*
> *Cranbrook, British Columbia*

A child born in the 1980s is still most likely to be born to a married couple, but will likely have only one sibling or none at all. Somewhat less than half of these children will be reared at home by their mothers until they reach school-entry age, perhaps attending a neighbourhood playgroup as a toddler, or a part-time nursery school as a preschooler. A tiny minority will be cared for by their fathers for a period, instead of by their mothers, but what little evidence is available suggests that fathers have been slow to take up this lifestyle option. Many of these children will, during part of each week, share their homes and mother's care with neighbourhood children whose parents are employed.

Another one-third or more will have a completely different type of preschool experience, participating full-day, year-round in one of the many types of child care arrangements. Most will receive care in a neighbourhood home, either from women who are themselves mothers with young children, or from older women whose families are grown. While this type of care can be very good, especially, as we shall see later, if the parents and caregiver share important values, many of these children will experience frequent moves from one care arrangement to another. Unless changes occur to expand the number of available licensed spaces, only a small minority of children will have access to care that is in any way officially regulated or supervised.

The remainder (currently about 20% of preschoolers in two-parent households) have mothers who work part-time. The experience of these children will vary, more closely resembling one or the other of the scenarios outlined above, depending upon the number of hours that mother works, and the extent to which these hours overlap with her husband's working hours.

Results of a recent survey by Statistics Canada indicate that 16 per cent of previously married women aged 30 to 49 had experienced divorce, while only seven per cent had remarried.[18] We can surmise from this that a significant minority of children will experience the disruption of separation or divorce and the inevitable decline in family income that accompanies it. For many, this change in circumstances will be permanent. Others may have additional adjustments to make — to new parents or siblings — when a divorced parent begins a new relationship. For some children, living arrangements may change several times during their lifetimes.

Single-parent mothers with young children are less likely to be employed than are their counterparts in two-parent households.[19] On the other hand, school-aged children are equally likely to have a mother who is employed, whether they come from one- or two-parent families. As we saw in the discussion of family incomes, in single-parent families headed by a woman, even if she is employed, the family's income is likely to be low. As a result, many children in these families qualify for subsidized child care; unfortunately few receive it, as we shall see in Chapter 8.

In the latter half of this decade, we can expect as many as two-thirds of children in the 6-to-12 age group to have mothers who are employed either full- or part-time. In 1984, some 1.3 million children between the ages of 6 and 12 years required supervision on a daily basis before or after school and during holidays or teacher-training days. As we shall see in Chapter 3, a few attend school-sponsored or licensed programs, some receive care in neighbourhood homes, but the greatest number care for themselves, either alone or with siblings.

As the labour force participation of mothers continues to rise over the next decade, and the generation of women who made homemaking a career passes into retirement, the lack of quality licensed child care services to meet the growing demand will pose greater and greater problems for Canadian families.

Courtesy of the La Leche League

# 2

# Parental Leave

## INTRODUCTION

PARENTAL LEAVE, TO the extent that it enables parents to combine work and family responsibilities, is an important part of the child care picture. Birth or adoption leave provides health protection for mothers following the birth of a child and allows parents and their newborn or newly adopted children to form essential emotional bonds with each other. Extended child care leave allows a parent to temporarily opt out of the labour force to provide care for a child. When it is available in Canada, this leave is taken without pay. Family responsibility leave allows parents to take time off from work to deal with family emergencies, childhood illnesses and school-related activities during the years that their children are growing up.

Maternity leave and benefits provisions have developed only very recently in Canada. As will be seen in Chapter 11, they are not nearly as well developed in Canada as in other industrialized countries. In addition, very few workers have access to extended child care leave that is unpaid, none to paid extended leave, and very few have the right to paid or unpaid leave for the purpose of caring for sick family members or dealing with other family emergencies.

In this chapter, existing provisions for parental leave and benefits will be described and assessed. Some of these provisions are statutory and guaranteed to all workers; others are provided by employers through collective agreements or on an informal basis. The federal government's performance as an employer will be assessed in this context.

## BIRTH/ADOPTION LEAVE AND BENEFITS

In Canada, workers derive their right to take an unpaid leave from work on the birth or adoption of a child from minimum employment standards legislation. Most employees in the country work in firms that are regulated by provincial governments and, hence, their terms of employment are regulated by provincial law. Benefits during the maternity leave are provided under the Unemployment Insurance program, which is administered separately, by the federal government. As shall be seen in this section, although both leave and benefits are provided in each

## TABLE 2.1

## Maternity Leave Provisions, 1985

| Jurisdiction | Excluded Workers | Qualifying Period | Maximum Basic Leave | Reinstatement |
|---|---|---|---|---|
| **Federal** | None. | 6 months of continuous employment with the same employer. | 17 weeks: up to 11 weeks may be taken before the birth.[a] | Same or comparable position with not less than the same wages and benefits. |
| **British Columbia** | Specified professionals and salesmen; students in approved work programs; child care workers employed in private residences; disabled or infirm persons; persons receiving income assistance while participating in an employment program; artists, musicians, performers or actors; student nurses. | None. | 18 weeks: up to 12 weeks may be taken before delivery, and no more than six weeks after. | Same or comparable position with all increments to wages and benefits as if leave had not been taken. |
| **Alberta** | Domestic workers in private residences; farm labourers. | 12 months of continuous employment with the same employer. | 18 weeks: up to 12 weeks may be taken before the birth. | Same or comparable position with not less than the same wages and benefits. |
| **Saskatchewan** | Farm labourers; ranching or market gardening employees. | 12 months of continuous employment with the same employer. | 18 weeks: up to 12 weeks before birth, and no less than six weeks after. | Same or comparable position at not less than the wages, benefits and seniority accrued before the leave began. |
| **Manitoba** | None. | 12 months of continuous employment prior to application for leave with the same employer. | 17 weeks: up to 11 weeks before birth and no less than six weeks after. | Same or comparable position with not less than the same wages and benefits. |
| **Ontario** | Students in approved work programs; inmates of provincial correctional institutions; offenders performing work under court orders. | 12 months and 11 weeks of employment before expected date of birth, with the same employer. | 17 weeks: up to 11 weeks before, no less than six weeks after. | Same or comparable position with not less than the same wages at the time her leave of absence began. |
| **Quebec** | Labourers on farms with three employees or less; day care domestics; students employed in a job induction program. | 20 weeks of employment with the same employer in the 12 months before leave. | 18 weeks: up to 16 weeks before and no less than two weeks after. | Same position with all increments to wages and benefits as if leave had not been taken. |

| Jurisdiction | Excluded Workers | Qualifying Period | Maximum Basic Leave | Reinstatement |
|---|---|---|---|---|
| **New Brunswick** | Domestic workers in private residences; farm workers; children employed by a parent or guardian. | None. | 12 weeks:[b] up to six weeks before birth and six weeks after. | Not specified. |
| **Prince Edward Island** | Farm labourers. | 12 months of continuous employment with the same employer. | 17 weeks: up to 11 weeks' prenatal, no less than six weeks after. | Same or comparable position with all wage increments and benefits as if leave had not been taken. |
| **Nova Scotia** | Domestic servants; students in certain fields; professionals; teachers. | 12 months of continuous employment with the same employer. | 17 weeks: up to 11 weeks before, six weeks after birth. | Guaranteed resumption of work; no loss of benefits or seniority accrued before the leave. |
| **Newfoundland** | Live-in domestic workers; employees qualified or training in certain prescribed occupations. | 12 months of continuous employment with the same employer. | 17 weeks: up to 11 weeks before, no more than six weeks after birth. | Equivalent wages, duties, benefits and position as before the leave began. |
| **Yukon** | None. | 12 months of continuous employment with the same employer. | 17 weeks. | Same or comparable position with no loss of wages or benefits, and the same salary increments as if leave had not been taken. |
| **Northwest Territories** | No maternity leave legislation. | No maternity leave legislation. | None. | Leave for maternity is treated as a termination of employment. No right to reinstatement. |

**Source:** Labour Canada, *Maternity and Child Care Leave in Canada,* (Ottawa: 1984). Supplemental information provided by the Task Force on Child Care.

**Notes:** [a] The Canada Labour Code provides 41 weeks of leave: 17 weeks of maternity leave and 24 weeks of child care leave that may be taken by either the mother or the father.

[b] New Brunswick legislation prohibits employers from dismissing women who have not returned to work after their maternity leave, until they have been absent for 17 weeks.

province and Yukon, the existence of exclusionary rules as well as the mismatch between conditions of some provincial employment standards legislation and federal Unemployment Insurance regulations have the result of disentitling a large proportion of workers from either leave or benefits.

In the discussion that follows, we will look first at the leave to which workers in each province or territory are entitled on the birth or adoption of a child. Qualifying conditions, exclusions and limitations that disentitle many workers from taking the leave will be noted. Finally, the terms and conditions applying to maternity benefits offered under the Unemployment Insurance Act will be examined, with a view to assessing the adequacy of these provisions to meet the needs of Canadian workers in the 1980s and 1990s.

## Statutory Provisions for Leave on the Birth of a Child

Minimum standards for leave on the birth or adoption of a child are set out in employment standards legislation or labour codes across the country. In the Canada Labour Code, the federal government regulates the terms and conditions of employment for some 650 000 workers in air transport, banking, broadcasting, railways, shipping, grain elevators, and highway transport. The great majority of workers come under the jurisdiction of the province or territory in which they work, and therefore under the employment standards set out in provincial and territorial legislation. Public servants are covered by separate legislation in each jurisdiction.

As Table 2.1 shows, conditions with respect to who qualifies for maternity leave, the timing of the leave, and the extent of job security to which a worker is entitled while she is on leave vary from one jurisdiction to another. All provinces and Yukon offer 17 or 18 weeks of guaranteed leave, which correspond with the Unemployment Insurance benefit period. Employment standards legislation in the Northwest Territories contains no provisions for maternity leave.

Amendments to the Canada Labour Code, which came into force in March 1985, make it the most progressive legislation covering family leave in the country. Upon completion of six months' employment with the same employer, all female employees are entitled to a maternity leave of 17 weeks, up to 11 weeks of which may be taken before the birth of the child. An additional 24 weeks of leave are available to any employee who has the care or custody of a newborn child. This 24 weeks of leave is available to fathers, adopting parents and mothers who have completed a maternity leave of 17 weeks. Parents may choose to share this leave between them if they are both employed under the jurisdiction of the Canada Labour Code. Upon return from this leave, the employee must be reinstated in his or her former position or one equivalent to it. Wage increments, benefits and seniority accrue during the period of leave.

In most jurisdictions, legislation requires employers to re-employ women who have taken maternity leave, in the same or a comparable job with equivalent wages and benefits. Legislation in Quebec and the federal jurisdiction go further, entitling women to all increments in wages and benefits that they would have received had they been working during the period of leave. New Brunswick does not specify what job protection a woman is entitled to while on maternity leave. The Northwest Territories, having no maternity leave provisions at all, provides no job protection to a woman who takes leave for the birth of a child. In no jurisdiction are employers required to pay employees during maternity leave or to top-up Unemployment Insurance benefits to equal an employee's full salary.

Saskatchewan legislation allows fathers to take an unpaid leave of six weeks in the three-month period surrounding the birth. Amendments to Manitoba's Employment Standards Act, which came into force on July 11th, 1985, allow fathers to take six weeks' leave during the three months following the birth of a child or immediately following the expiration of the mother's maternity leave. Quebec legislation provides two days of leave without pay for fathers on the birth of a child. No other province or territory has a statutory provision requiring employers to allow fathers to take leave on the birth of a child.

In British Columbia, Newfoundland and New Brunswick, the legislation places constraints on the scheduling of maternity leave. In these provinces, a certain portion of the leave is reserved for the pre-natal period and cannot be applied to the post-natal period. A woman in any of these three provinces, who starts her maternity leave during the week of the baby's birth, would qualify for only six weeks of leave, since she would have forfeited her right to the period of pre-natal leave. In all other provinces, Yukon and the federal jurisdiction, a woman can decide to start her maternity leave after the baby is born and spend the full 17 or 18 weeks caring for her child.

In most jurisdictions, maternity leave is available only to women who have been employed with the same employer for a specified period of time. Qualifying periods, originally adopted to ensure that those who claimed leave had established a serious work commitment, range from 20 weeks in Quebec to one year plus 11 weeks in Ontario. Eight jurisdictions require 12 months or more of continuous employment with the same employer to qualify. British Columbia and New Brunswick legislation do not contain qualifying periods; thus, no worker is disqualified from entitlement to maternity leave on the basis of her duration of employment with a single employer in these two provinces. The necessity to demonstrate a period of continuous employment with the same employer disqualifies many workers from taking the leave, including seasonal workers and many part-time workers, as well as women who have simply changed jobs in the previous year. Workers who have been on strike or locked out can lose their entitlement to maternity leave, except in Quebec, where provincial legislation specifies that strikes and lockouts do not constitute an interruption in employment. Workers who are ill for an extended period could also be considered to have a break in employment that would disqualify them from maternity leave.

In addition, certain classes of workers are excluded from any entitlement to maternity leave in most jurisdictions. Only under federal jurisdiction, in Manitoba and Yukon, do provisions for maternity leave apply to all workers. Farm labourers are excluded in Alberta, Saskatchewan, Quebec, New Brunswick, and Prince Edward Island. Some or all domestic workers are excluded in British Columbia, Alberta, Quebec, New Brunswick, Nova Scotia and Newfoundland. Students on work programs are excluded in British Columbia, Ontario, Quebec, Newfoundland and Nova Scotia.

Thus, we can summarize these provisions as follows: most Canadian female workers are entitled to a 17- or 18-week leave for the birth of a child. The exceptions are residents of the Northwest Territories, and, in most jurisdictions, farm labourers, domestic workers, students on work programs, and workers who have changed jobs within the last year. All jurisdictions except New Brunswick provide some form of job protection during the leave. Only fathers working under federal jurisdiction, in Saskatchewan or in Manitoba, have the option of choosing to stay home to care for a newborn infant.[1]

## Statutory Leave Provisions for Adoption of a Child

The parental leave system in Canada has been slow to respond to the needs of adopting parents. In most provinces, authorities responsible for arranging adoptions require one parent to stay at home with the adopted child for at least six months. This is considered necessary to allow the parents and child to establish a relationship and to integrate the child into the family.

However, only employees working in enterprises under federal jurisdiction are entitled to take a period of leave long enough to allow them to fulfil this requirement. Under amendments to the Canada Labour Code, effective March 1985, adopting parents are now entitled to 24 weeks of child care leave. In Saskatchewan and Manitoba, labour legislation allows either adopting parent to take six weeks of unpaid leave. In Prince Edward Island, female workers are entitled to six weeks of unpaid leave for adoption. In Nova Scotia, mothers are entitled to five weeks of leave if the adopted child is under the age of five. Quebec allows two days for both parents. British Columbia, Alberta, Ontario, New Brunswick, Yukon, the Northwest Territories and Newfoundland have no statutory provisions entitling workers to leave on the adoption of a child. In jurisdictions where employers are not required to provide adoption leave, or where employees are required by adoption agencies to take a longer leave than the employer is obliged to provide, workers who do leave work to care for a newly adopted child may find themselves jobless when they wish to re-enter the labour force.

## Maternity Benefits

Statutory leave provisions with job protection and other guarantees are, of course, a necessary first step in ensuring the right of parents to work, and in preventing discrimination against women on the grounds of maternity. But unless such leaves are paid, many workers will be unable to avail themselves of the provisions, or may suffer financial hardship if they do.

Benefits for maternity have been available through the Unemployment Insurance program since 1971, in recognition that an employee's earnings can be interrupted not only by job loss, layoff, or illness, but also by maternity. The social insurance features of the program, in which income protection is of central importance, allow the Unemployment Insurance program to play a major role in protecting the economic security of Canadian workers. Unlike other components of Canada's social security system, Unemployment Insurance is exclusively under federal jurisdiction, reflecting federal responsibility for the overall management of the economy and for policies designed to address unemployment.

The Unemployment Insurance Act provides 15 weeks of benefits during a 17-week leave surrounding the birth (and, since January 1984, following the adoption) of a child. These benefits are administered by the federal government, but financed entirely by employer-employee contributions.[2]

Canadian workers are entitled to collect these benefits if they have worked for at least 20 weeks in the past year. However, as we saw in the preceding discussion, although a mother may well be entitled to collect Unemployment Insurance benefits on the birth of a child, she is entitled to leave her job for this purpose only if she meets the eligibility requirements imposed by provincial employment standards legislation. Only 55 per cent of employed women who give birth claim Unemployment Insurance maternity benefits. Of those who do claim Unemployment Insurance benefits, 23 per cent go on to collect regular Unemployment Insurance benefits after the maternity period, as they begin a search for new employment.[3]

The original rationale for maternity benefits was to protect the mother from the earnings interruption caused by her inability to work or seek work in the weeks surrounding a birth. It is perhaps for this reason that maternity benefits, like sickness benefits, are payable for 15 weeks, with a two-week waiting period.

Before the 1975 Statute Law (Status of Women) Amendment Act was passed, maternity benefits were payable only for the eight weeks before the birth, the week of the birth, and the six weeks following. The Amendment introduced a provision, which allowed women to claim benefits for 15 weeks at any time during a 26-week period, beginning in the eighth week before the birth and ending 17 weeks after the birth. Since this change, women appear to be claiming most of their maternity benefits in the post-natal period.[4] In practical terms, therefore, the benefits today are used more to enable mothers to care for their new children after birth, and less because of their physical incapacity to work.

In January 1984, the Act was amended to remove several additional restrictions on eligibility. Pregnant women no longer have to work at least 10 weeks around the time of conception (the *magic 10* rule). They are no longer prevented from obtaining regular or sickness benefits in the weeks surrounding the birth, and the time during which maternity benefits can be claimed is more flexible. Prior to these changes, the conditions imposed on maternity benefit claimants were so stringent that the majority of potential claimants did not receive benefits. Employment and Immigration Canada estimated that in 1982 (prior to implementation of these changes), the take-up rate for maternity benefits (the percentage of potentially eligible claimants who received benefits) was only 45 per cent.

There are, however, still problems associated with the Unemployment Insurance program in its role of providing paid parental leave to Canadian workers. Many workers are excluded from coverage by Unemployment Insurance or do not meet the elgibility requirements. The level of income replacement provided by Unemployment Insurance is quite low, and benefits are payable for only 15 weeks. Taking into account the changes implemented in 1984, Employment and Immigration Canada (EIC) officials estimate that 55 per cent of women workers who give birth or adopt a child in 1985 will claim maternity benefits. EIC officials have suggested that, in addition to constraints on eligibility for leave already mentioned, the low take-up rate may be due to a lack of awareness that maternity benefits are available through the Unemployment Insurance system, or to a reluctance to collect the benefits because of a stigma attached to unemployment. It has also been suggested that the level of replacement income is so low, that many women cannot afford to live on Unemployment Insurance benefits and, instead, take a very short leave using a combination of available sick and vacation leave.

> *When my last child was born, I was able to find a space for him in a good family day home, and so only took three weeks holidays after he was born, and then went back to work. I was very unhappy having to miss a lot of his early development, and felt social disapproval for leaving him with a stranger so young, but my family needed the income from my employment.*
>
> *Our present legislation enables most mothers to stay at home with a new baby for a period of time to fulfill their responsibilities as parents, but it would seem to me that the legislation still assumes that all mothers are working only to acquire wealth and not out of necessity. The working mother's income is very often essential to the financial survival of the family. So what good is maternity leave from work if you have no income? Fifteen weeks of maternity benefits is not long enough if we continue to have a shortage of quality family day home care for infants. It appears evident to me from experience and research, that for the first six months a baby should be cared for by a parent, preferably the mother so that he/she can benefit from breastfeeding, and that at six months a secure baby will adjust relatively smoothly to being in the care of another nurturing and consistent caregiver.*
>
> *I suggest that maternity benefits should be paid by U.I.C. for all mothers who qualify for maternity leave for the full six months, and that government incentives of some sort be used to encourage the establishment of more quality family day homes for infants.*
>
> *Lyn Dimotoff*
> *Edmonton, Alberta*

> *What is the use of the six months' leave provided by the collective agreement when, without our full salary, unemployment insurance tides us over for only seventeen weeks? The fact that we are at home does not mean that we eat less and go around naked; moreover, we have an extra person.*
>
> *Why can't we get our full salary during maternity leave? After all, women are still the ones having children. We are penalized in terms of money and promotions because we were made to bring children into the world. The laws might be different if men could give birth.*
>
> *Danielle Bastrash*
> *Aylmer, Quebec*
> *(translation from French)*

### Excluded Workers

Not all workers qualify for Unemployment Insurance benefits. Natural fathers cannot receive Unemployment Insurance benefits if they take leave from their jobs to care for an infant, although adopting fathers have been eligible for benefits since January 1984. Part-time workers who work less than 15 hours per week or who earn less than 20 per cent of the maximum weekly insurable earnings also do not qualify for unemployment insurance coverage.

People who are self-employed neither contribute to nor qualify for any coverage under the Unemployment Insurance program. Self-employed workers include not only business proprietors and professionals, but also anyone who works under a contract for services, such as seasonal university lecturers and teaching assistants, as well as some taxi drivers, piece workers and agricultural workers, among others. While this exclusion may be quite appropriate for regular unemployment benefits, the appropriateness of excluding the self-employed from sickness and maternity provisions is questionable.

Finally, the Act excludes spouses of self-employed business people from coverage even when they are salaried employees of the business. Some 500 000 Canadian women work in their husband's firms, which are usually unincorporated businesses.

### Qualifying Conditions

To qualify for maternity benefits, a woman must have worked for 20 weeks in the past 52-week period. The 20-week qualifying period (or entrance requirement, as it is also called) applies as well to those who wish to claim sickness benefits through the Unemployment Insurance program. On the other hand, to qualify for regular unemployment benefits, a worker must have been employed and paying contributions for only 10 to 14 weeks in the last 52, depending on the region where the worker lives. The 10-week qualifying period applies in areas where high unemployment makes it difficult for a worker to accumulate the requisite number of weeks of employment to qualify for benefits. The rationale for the longer qualifying period for maternity and sickness benefits is apparently to ensure that claimants for these benefits demonstrate a significant work attachment before making a claim. In areas of high unemployment, it is, of course, particularly difficult for workers to accumulate the required 20 weeks of insurable earnings.

A federal Task Force on Unemployment Insurance, which reported in 1981, argued that separate entry requirements for different kinds of claims were not justified:

> *The current 20 week requirement for entitlement to these benefits creates a separate class of claimant and appears to weaken the program's income protection role in these cases. It seems to impose on this class of claimant inequities which are even more pronounced in high unemployment areas where the regular entrance requirement is relatively low because of local labour market conditions. It may be justifiable on cost grounds, but it does not meet equity considerations.*[5]

The Task Force on Unemployment Insurance recommended that the entrance requirement for maternity benefits should be the same as that set for claimants of regular unemployment benefits. However, at the present time, the qualifying period for maternity benefits remains at 20 weeks.

### Adopting Parents and Fathers

The Task Force on Unemployment Insurance also acknowledged in its report the desirability of recognizing "the increasing use of maternity benefits during the period of post-natal care, and to take this into account when determining the coverage of maternity provisions."[6] To this end, it recommended extending coverage to adoptive parents, and this change was implemented on January 1, 1984. Another breakthrough inherent in this development is that benefits are now available to either the mother or father of an adopted child. Thus, benefits are available under the federally administered Unemployment Insurance Act, but many adopting parents cannot take advantage of them, since they are not entitled under provincial law to take leave for this purpose.

### Income Replacement Level

Unemployment Insurance provides a relatively low benefit level. Benefits equal to 60 per cent of the worker's usual wage, up to a maximum weekly limit, are payable for 15 weeks after an initial two-week waiting period. The maximum benefit for 1985 was $276 per week, calculated as 60 per cent of the 1985 maximum insurable earnings of $460 per week. However, because women, on average, earn less than the maximum insurable earnings limit, most receive less than the maximum benefit while they are on maternity leave. The average weekly benefit paid to those who received maternity benefits in 1984 was $179 (30% less than the maximum weekly benefit of $255 available that year).

The actual replacement income for all maternity leave claimants is, of course, below 60 per cent when averaged over the entire leave period. Each claimant must first survive a two-week period without benefits, before the maternity benefits are payable. She must take 17 weeks of leave to collect 15 weeks of benefits. Thus, a woman earning Maximum Insurable Earnings ($23 920 in 1985) would collect 15 weeks of benefits at $276 per week for a total of $4140, which is only 53 per cent of her regular earnings of $7820 over a 17-week period. All maternity leave claimants who earned $23 920 or less in 1985 received replacement income from the Unemployment Insurance maternity benefits plan equal to 53 per cent of their regular earnings for the 17 weeks of leave.

Also, the shorter the period of leave taken, the greater the impact of the two-week period without benefits. If the same woman, earning $23 920, took only 10 weeks of leave and eight weeks of benefits, her replacement income for the period would be only 48 per cent of her regular earnings.

For those earning more than the maximum insurable earnings, the replacement rate declines as their incomes rise. A woman earning $28 000, for example, would collect the same benefits of $276 per week for 15 weeks, but this total represents only 45 per cent of her regular earnings.

In addition, a 30 per cent surtax (sometimes called a *claw-back*) is imposed on claimants whose incomes exceed 1.5 Maximum Insurable Earnings. This surtax is calculated on the individual's income tax return at the end of the year. In 1985, the surtax applied to maternity benefit recipients whose net income[7] was more than $35 880. Thus, a woman earning $45 000 per year would collect the same benefit of $276 per week for 15 weeks, but, since the surtax applies, her net benefits would be only $2898. This sum is 20 per cent of her usual earnings during the 17-week period.[8]

Women on maternity benefits do not have the opportunity to supplement their Unemployment Insurance benefits as do regular benefit recipients. Those earning regular UI benefits are permitted to earn additional income equivalent to 25 per cent of their weekly benefits without the UI benefits being reduced. However, pregnant women and new parents are not permitted to earn additional income while on maternity leave, nor would it be appropriate for them to attempt to do so during a period of leave provided for purposes of their own physical recuperation and care of a newborn child. Benefits that replace 53 per cent or less of a new mother's regular earnings, can, in the view of the Task Force, hardly be considered sufficiently generous to satisfy our government's commitment to employment equity for women or to support family life.

As shall be seen in a subsequent section, a few workers in Canada have negotiated leave with benefits equal to full salary. In no jurisdiction in Canada does the employment standards legislation or labour code require employers to top-up Unemployment Insurance benefits to full salary, as is the case in West Germany and the United Kingdom, nor is a publicly-funded top-up provided by any level of government.

### Two-Week Waiting Period

The two-week waiting period before benefits begin applies to all types of unemployment insurance claimants. Resembling deductibility clauses in household insurance policies, it is intended to operate as a deterrent to frivolous and fraudulent claims. For claimants of regular benefits, it serves as an incentive to begin a search for work immediately. Pregnant women and new parents, however, are not in a position to seek employment, nor are they likely to have undertaken pregnancy or adoption of a child simply to collect UI benefits. For them, the two-week waiting period appears to serve no purpose other than to reduce their level of income replacement.

The two-week waiting period is particularly onerous for maternity leave claimants, whose benefit period is relatively short. For new parents claiming the maximum 15 weeks of benefits, it has the result of reducing effective replacement earnings to 53 per cent over the 17-week period of leave. A two-week period without benefits has a far greater impact on the effective replacement earnings of someone claiming benefits for 15 weeks than it would for a regular Unemployment Insurance claimant whose benefits continue for 30, 40 or 50 weeks. The two-week waiting period, in the view of the Task Force, imposes an excessively harsh penalty on maternity benefits claimants and has been applied inappropriately to these claims.

One provincial government (Quebec) provides a flat-rate benefit of $240 to compensate women for the income lost during the two-week waiting period. The amount of this flat-rate benefit is not indexed, however, and has not increased since it was introduced in 1979. No other provincial or territorial government has followed Quebec's example, nor has the federal government made such a provision for workers employed in businesses under federal jurisdiction.

### Duration of Benefits

Another inadequacy in the existing program is the relatively short period for which benefits are paid. While a few Canadian workers have negotiated longer periods of leave, Unemployment Insurance benefits are currently payable for only 15 weeks.

> *I feel maternity leave should be six to nine months and paid. No one should have to put a child under six months in a day care situation, still getting up nights and going to work.*
>
> *Shirley Gillmore*
> *Toronto, Ontario*

Many of the letters and briefs received by the Task Force argued that a leave period of 17 weeks is insufficient to meet the needs of new parents and their children. During this period, the mother needs time to recuperate from the physical trauma of giving birth, and both parents need time to adjust to their new role as parents. Parent-child bonds, the necessary building blocks for healthy, social, emotional and intellectual development, are established during the early months of life. The Canadian Paediatric Society recommends that infants be breast-fed for at least the first six months of life.[9] Breast-feeding may not be totally impossible for a working mother, but without the availability of child care near the workplace and special hourly leave for this purpose, Canadian mothers attempting to continue breast-feeding after returning to a full-time job have great difficulty doing so.

Parents also require a period of time to search for and find appropriate child care for their child. Depending on the needs of their children and availability of services in the community, the search for good child care may consume several days or weeks of effort as new parents interview potential caregivers and investigate potential arrangements.

## Maternity/Adoption Leave and Benefits in Collective Agreements

Although the maternity benefits program is the only national system of paid leave providing benefits during maternity, some Canadian workers do, in fact, have fully-paid maternity leave that has been negotiated through collective bargaining. A typical formula for collective agreements provides that the employer pay the worker's full salary during the two-week waiting period, and then for the next 15 weeks make up the difference between unemployment insurance benefits (which are 60% of insured salary) and full salary (or 93-95% of salary to allow for employee benefits). Employers who have agreed to fully-paid maternity or parental leave then establish a Supplemental Unemployment Benefit (SUB) plan, registered with the Unemployment Insurance Commission so that additional benefits paid by the employer during the leave are not regarded as earnings that would have the effect of reducing Unemployment Insurance maternity benefits. In any case, benefits received by the employee during the two-week waiting period do not count as earnings for the purposes of the maternity benefit program.

Some collective agreements provide longer periods of leave and/or more generous benefits than the statutory minimums described in previous sections. A survey of 1984 agreements by Labour Canada showed that approximately two-thirds of collective agreements covering 500 or more employees provide for maternity leave, and 55 per cent of these allow at least six months' unpaid leave. Paternity leave was provided in 32 per cent of collective agreements, usually consisting of a few days off with pay on the birth of a child. A few days of paid leave on the adoption of a child were provided in 24 per cent of collective agreements.[10] Paid maternity leave was provided in only 4.3 per cent of agreements in 1984. Other measures, such as permitting use of paid sick leave or group insurance, were available in 13.1 per cent of the collective agreements studied.[11]

The parental leave clause negotiated during the 1979-1980 round of agreements in the Quebec public sector was the first major collective agreement in Canada to provide comprehensive maternity benefits. It covers some 20 per cent of the province's female work force. Under this agreement, women receive 20 weeks of leave with pay at 93 per cent of their regular salary and the accumulation of all benefits normally received including vacation, sick days and seniority. Fathers are entitled to five days of paid leave on the birth of a child. In the case of adoption, either parent may take 10 weeks of paid leave, and the other parent two paid days of leave.[12] Another innovation of this plan is that employees, including part-time employees, who have accumulated 20 weeks of service before the maternity leave and who, for whatever reason, are not eligible for Unemployment Insurance benefits, can nevertheless receive full pay for 10 weeks of maternity leave.

Other examples include collective agreements covering Manitoba and Ontario public servants, both of which provide 17 weeks of leave with benefits at 93 per cent of salary. Northern Telecom provides members of the Communications Workers of Canada with a supplemental allowance equivalent to 75 per cent of weekly salary up to a maximum of $1000 for the entire leave period. The Canadian Broadcasting Corporation provides its broadcast employees and technicians with 2 weeks of benefits at 93 per cent of salary, and 15 weeks at 75 per cent of salary.

## Maternity/Adoption Leave and Benefits in the Federal Public Service

We saw in the previous section that two-thirds of major collective agreements contain birth or adoption leave clauses, usually providing six months' unpaid leave, but fewer than 20 per cent provide income replacement over and above the maternity benefits available under the Unemployment Insurance program. How does the federal government, in its role as an employer, compare with other major Canadian employers in the provisions it makes for employees on the birth or adoption of a child?

In this section, the leave and benefits available to federal public servants will be described and assessed.

Unlike the situation in several provincial governments, employees in the federal public service are organized in groups according to occupation, and are represented by separate unions or bargaining agents who negotiate contracts governing their salaries, leaves and benefits with the federal government employer on their behalf. There are some 76 occupational groups in the federal government, each with a separate contract governing the terms and conditions of their employment. While there are many similarities among these contracts, particularly with relation to more established types of benefits, there are also significant differences. In addition, some 36 000, or 15 per cent, of all federal public servants are not represented by a union or bargaining agent, and their salaries, as well as the terms and conditions of their employment, are determined by the federal government employer — Treasury Board. These federal government employees who have been excluded from the collective bargaining process include: managers,[13] employees in jobs dealing with personnel matters, and designated employees in each employee group whose work is considered sensitive.

### Provisions for Leave

The federal government has been quite generous in extending unpaid leave privileges to its female employees. All female federal public servants, other than members of the armed forces, are now entitled to take an unpaid maternity leave of 37 weeks on birth of a child. Eleven weeks are reserved for the pre-natal period and up to 26 weeks may be taken following the birth. In addition, all federal public servants — mothers as well as fathers — now receive one day of paid leave on the occasion of the birth of a child.

Collective agreements covering most occupational groups of federal public servants allow either adopting parent to take a leave of 26 weeks or to share it between them if they are both public servants.[14] Similarly, most collective agreements allow natural fathers to take some or all of the 26 weeks provided to the mother as maternity leave.[15]

Female members of the armed forces, however, receive a shorter maternity leave, with more restrictions placed upon it, than do other public servants. Although they are no longer required to resign when they become pregnant,[16] they are informed, during a mandatory counselling session, of the benefits that accrue to a member who is released while pregnant, including superannuation benefit payout. They are also cautioned that "under no circumstances will single parent status or motherhood be entertained as a reason for objecting to any proposed posting, detached duty or performance of full unit duties. Such an objection may be considered as an evasion of posting or duty and may result in release."[17] Should a member elect to continue to serve in the Armed Forces, she is eligible for a maternity leave of only 14 weeks, a period that is significantly shorter than the 37 weeks available to other public servants. Not only is the leave shorter, but no flexibility is available in scheduling the leave. Women in the armed forces must begin their maternity leave eight weeks before the expected date of birth and return to work six weeks after the birth. Extensions are available only for medical reasons and must be approved by National Defence Headquarters in Ottawa. In the armed forces, time spent on maternity leave, unlike time spent on sick leave, does not count towards seniority-in-rank or minimum time-in-rank requirements for promotion.

### Provisions for Benefits

The federal government has registered two Supplemental Unemployment Benefit (SUB) Plans with the Unemployment Insurance Commission for the benefit of its own employees. The first one, which now covers nearly all public servants,[18] provides a payment equal to unemployment insurance benefits to cover the two-week waiting period. Workers whose collective agreements contain this clause receive the payment even if they do not qualify for unemployment insurance benefits.

The second SUB plan provides benefits equal to 93 per cent of salary during the two-week waiting period and then pays the difference between the unemployment insurance benefits and 93 per cent of salary for 15 weeks. The occupational groups that have achieved this benefit through collective bargaining are the Clerical and Regulatory, Air Traffic Control, Historical Research, Home Economics, Meteorology and Translation groups. Supervisory members of these groups are excluded from the bargaining process and thus do not receive the top-up to unemployment insurance benefits during maternity leave. Members of the Royal Canadian Mounted Police and employees of the Senate, House of Commons and Library of Parliament also receive paid maternity leave, even though these employees are excluded from the bargaining process.

Although half of the women employed in the Public Service are now entitled to receive 93 per cent of salary during 17 weeks of leave on the birth of a child, Treasury Board has demonstrated no willingness to extend this benefit throughout the Public Service. A spokesman for the Canadian Union of Postal Workers, the first group of federal public servants to receive paid maternity leave, informed the Task Force that the employer strongly opposed granting paid maternity leave, since it would set a precedent for the entire public service. In 1981 the Postal Workers secured the benefit following a six-week strike, the second such action over this issue by federal government employees. Paid maternity leave was a major bargaining issue for several occupational groups in 1982, when momentum was stalled by the government's six-and-five restraint program introduced in response to the 1982 recession. By April 1, 1985, paid maternity leave had been extended to only six of the 76 occupational groups in the federal public service.

By conceding this benefit to one group of employees at a time through the collective bargaining process, the federal government employer has produced a situation in which women working in the same office receive very different levels of income replacement during their maternity leave, depending upon the occupational group to which they belong. In a typical departmental library, for example, a librarian would receive 15 weeks of Unemployment Insurance benefits during the maternity period, a library technician would receive a two-week bridging allowance as well as 15 weeks of Unemployment Insurance benefits, and a clerk would receive 93 per cent of her regular salary for 17 weeks.

The additional income replacement, which has been negotiated by some occupational groups, is paid only to natural mothers. Adopting parents may receive unemployment insurance benefits but not the supplemental payments. Although natural fathers in most occupational groups have the right to take a portion of the leave, they receive neither unemployment insurance benefits nor equivalent payments from the employer. This effectively discourages fathers from participating in the care of their infant children.

Also, the additional income replacement is provided for only 17 weeks, although maternity leave in the public service may be granted for a total of 37 weeks, of which 26 weeks are reserved for the post-natal period.

As a result of a policy change in 1984, public servants have been allowed to use accumulated paid sick leave credits for pregnancy-related illness and post-natal recovery if maternity leave without pay has not commenced. This policy has provided some women with a few days or weeks of leave at full pay, but this has the effect of depleting sick leave credits, and any sick leave taken later than two weeks after the date of birth will result in lost weeks of unemployment insurance benefits.

Thus, we find that the federal government provides *unpaid* leave on the birth or adoption of a child that is reasonably generous and consistent with the practice of other major employers in Canada. However, significant work time was lost due to two strikes before paid leave was provided to the first group of federal employees in 1981. Extension of the benefit to other employees in the public service has been slow to develop, due, in part, to the constraints on collective bargaining rights imposed during the six-and-five restraint program. As a result of a case taken to a Tribunal of the Canadian Human Rights Commission, female public servants are now entitled to the one day of paid leave on the birth of a child, which male employees have long enjoyed, and may draw upon their sick leave credits during pregnancy and following the birth or adoption of a child.

## EXTENDED CHILD CARE LEAVE

The previous discussion dealt with the leave and benefits available to Canadian workers in general, and federal public servants in particular, in the period surrounding the birth or adoption of a child. Some workers, however, either because of particular circumstances affecting their families or individual preference, wish to take a longer period of leave than the 17 or 18 weeks intended to allow recovery of health and establishment of an initial bond with a newborn or adopted child.

> *Fortunately, I am a member of a public sector union which has bargained for paid maternity leave and optional extended unpaid leave. For us, the extended leave offered two chief advantages: it allowed us time to seek out the best available child care arrangement; and, it allowed us to choose the time at which we felt our child was ready for non-parental care.*
>
> *Barbara Hewett*
> *Toronto, Ontario*

> *I am a mother of five children. I have worked part-time since my oldest child (now eighteen) was an infant.*
>
> *It has been suggested that employers make it easier for mothers to get leave to be with their families. I think this is an excellent idea as there are times when I was in a position to do this but I didn't know what the financial situation would be the following year. If I quit my job I'd lose it permanently. I couldn't take this chance as my husband isn't employed permanently. If I could take a leave of absence without pay I'd gladly do so.*
>
> *Annette Moriarity*
> *St. Mary's, Newfoundland*

Some Canadian employers do allow their employees the option of extending the maternity leave by a number of weeks. In Canada, this additional leave, when available, is unpaid, but the employee's job is kept open. In this section, we will describe existing statutory and contractual provisions, which allow parents to extend the initial maternity leave, while retaining a right to return to their former jobs.

### Statutory Provisions

Only employers under the jurisdiction of the Canada Labour Code are required by law to provide such leave. The Canada Labour Code permits male or female employees who have the care or custody of a newborn child to take up to 24 weeks' unpaid leave to care for the child. The leave may be shared by both parents if they are employed under federal jurisdiction. The leave is unpaid, but salary increases, benefits, and seniority continue to accrue during the period of the leave. Mothers who have just given birth, and either adopting parent may take this leave after the initial 17-week maternity period ends. Thus, natural mothers and both adopting parents who are employed in firms under federal jurisdiction, are entitled to take up to 41 weeks of leave and to collect 15 weeks of unemployment insurance benefits; natural fathers are entitled to take 24 weeks of leave with no benefits. Employers in other jurisdictions are required to re-employ only employees who have taken the statutory 17 or 18 weeks of childbirth or adoption leave.

### Contractual Provisions

Employers may, of course, agree to re-employ an employee who has taken an extended child care leave. No doubt, some do, under private arrangements. Others have entered collective agreements that contain clauses providing for extended leaves. The contract covering Quebec public sector employees (20% of the province's female workforce) provides that either parent may take up to two years of extended leave without salary, and the leave may be shared between them, as long as it is taken in two consecutive periods. Seniority continues to accrue during the leave, and the employee may continue to benefit from various insurance plans on condition of paying the total amount of premiums. Other examples include an agreement between the Lakehead District Roman Catholic Separate School Board and its teachers that permits teachers to take a leave of absence of up to one year for maternity or adoption. The Canadian Broadcasting Corporation grants up to 35 extra weeks of unpaid leave after completion of the regular maternity leave to members of the National Association of Broadcast Employees and Technicians. Northern Telecom gives employees the option of taking up to one year's leave in the collective agreement it has signed with the Communications Workers of Canada.

### Employees of the Federal Government

The federal government has provided a generous child care leave provision in the collective agreements applying to most public servants.[19] Under this provision, unpaid leave can be taken for up to five years to care for a preschool-aged child. The leave need not be taken in one period, nor need it be continuous with maternity leave. Recently, however, two groups have signed collective agreements in which limitations have been placed on child care leave. Employees in the Aircraft Operations group are prevented from taking less than six months of leave, and employees in the Economics, Sociology and Statistics group cannot take less than six weeks of leave at one time. These restrictions prevent workers from using this leave for relatively short family emergencies, such as the loss of a caregiver, or to provide care for a child recuperating from an illness.

If the leave is taken for less than one year, the employee's job will be kept for him or her. If the leave is taken for more than one year, the department is not obliged to hold the employee's job. However, the employing department must make every effort to find the employee an equivalent position when she/he wishes to re-enter the public service. Should this not be possible, the employee will be given priority in staffing of vacant positions in the public service for which she/he is qualifed.

## LEAVE FOR FAMILY RESPONSIBILITIES

Recent labour force data indicate that approximately 37 per cent of men and women in the Canadian work force have children under the age of 16. As parents, these workers have on-going obligations to their families that they must reconcile with their responsibilities to their employers. Children become ill and may require care at home or the comfort of a parent while hospitalized. Sometimes, employees can arrange for a grandmother or an understanding neighbour to care for a sick child, but formal services covering these needs are virtually non-existent in Canada. Time must be made for children's medical and dental appointments as well as for meetings with a child's teacher, school concerts, sports competitions and other events. Very few Canadian workers are entitled to take leave for these purposes. In families in which both parents or the sole parent is employed, such seemingly ordinary occurrences can cost a job.

Some understanding employers allow the occasional day or part-day to enable employees to fulfil family responsibilties, but such practices are rarely formalized and commonly vary from one manager to another within a company, and even from one employee to another. Other employees who have no alternative but to use up part of their annual vacation leave caring for a sick child or attending parent-teacher interviews, may feign illness themselves to claim leave under an employer-sponsored sick leave plan, or face loss of income for work time lost for these reasons.

The difficulties that parents encounter in searching for alternative care for sick children, or in obtaining leave so that they can care for the child themselves, were described in detail by a great many parents who wrote to the Task Force.

> *When you work on an hourly rate, with no "sick days" paid yourself, childhood illnesses threaten the grocery cart.*
>
> *Name Witheld*
> *Fergus, Ontario*

> *Another recommendation re: working mothers and fathers too maybe, which I feel affects child care in a broad sense is the need for workers to be given a set number of family commitment days as a right in their work place so that they can provide care and nurturing for sick children who are not well enough to go out on certain days or may require trips to the doctor. At present employees are forced to use their precious annual leave which provides them with the only block of time to spend with families away from stress of the work place.*
>
> *Beverly Vincent*
> *St. John's, Newfoundland*

> *I think employers should be required to provide a certain number of paid absence days for employees to care for sick children. During my son's first two years, he had recurring bouts of bronchitis. If I hadn't had an understanding boss, I would have lost considerable income since my time off was not considered officially legitimate.*
>
> *M.A. Cox*
> *Unionville, Ontario*

No labour standards legislation in Canada currently requires employers to provide paid or unpaid leave to employees for the purposes of tending to such essential family responsibilities.

This type of leave is, however, provided in some collective agreements. The International Minerals and Chemicals Corporation in Esterhazy, Saskatchewan, for example, in its agreement with the Energy and Chemical Workers Union, provides up to six days' leave per year to employees to care for an ill spouse or child. Employees may accumulate unused days of leave. The British Columbia Nurses' Union and the Union of Registered Psychiatric Nurses of British Columbia have negotiated the right to take up to three days at any one time to care for an ill member of the employee's immediate family. Nurses covered by this collective agreement are also given reasonable time off to take children to medical or dental appointments.

The federal government provides its employees with up to five days of leave per year to care for sick family members or to accompany family members to medical or dental appointments. This leave does not accumulate from year to year. Members of the Armed Forces and several other occupational groups[20] do not have access to this leave, but may apply for special leave when family circumstances warrant it.

For the great majority of working parents in Canada today, however, illness in the family and other quite mundane needs of children can be the source of conflict with their employers and of stress at home. As we shall see in Chapter 11, Canada lags far behind other industrialized countries, some of which have adopted quite innovative policies to assist workers to successfully combine family and work responsiblities.

## CONCLUSIONS

Much of this report is concerned with the care of children while their parents are employed or otherwise occupied. At some moments in a child's life, however, only mom or dad will do: at birth, adoption, illness, counselling, graduation, or accomplishments. In this chapter, we have examined existing provisions in Canada for parental leave to cover these exigencies.

A brief four-month period of leave is provided to most women workers, with some income replacement on the birth of a child. However, maternity benefits are provided under the Unemployment Insurance Act, whereas entitlement to leave is provided by provincial employment standards legislation. In most jurisdictions, an employee is entitled to take leave for maternity only if she has worked for the same employer for at least a year. Several groups of employees — domestic workers, farm labourers, students, the self-employed and their spouses working in the same enterprise — have no entitlement to take maternity leave, or to collect benefits, or both. Those who are entitled to take leave with Unemployment Insurance benefits must take 17 weeks of leave to collect 15 weeks of benefits. Thus, the effective replacement income during the 17-week leave is only 53 per cent for most claimants. The replacement rate is even lower for women who take shorter leaves or whose incomes exceed Maximum Insurable Earnings. As a result of the various exclusions, conditions and low level of benefits, only about half of all women workers who give birth each year claim Unemployment Insurance benefits. Nearly one-quarter of maternity leave claimants go on to collect regular Unemployment Insurance benefits as they begin a search for new employment. Adopting parents and natural fathers are even less fortunate, being ineligible in most jurisdictions for leave or benefits, or both.

Only employees working in businesses under federal juridiction are entitled by statute to longer leaves (between 6 and 10 months) on the birth or adoption of a child. Only a tiny minority of Canadian workers have access to birth or adoption leave at their regular rate of pay, or to ongoing leave for family reasons. As we shall see in Chapter 11, Canada's performance in the area of parental leave compares unfavourably with most western industrialized countries. In Chapter 14, we will set out our recommendations for reform of the parental leave system in Canada.

Health and Welfare Canada, Public Affairs Directorate

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# 3

# Child Care Arrangements

## INTRODUCTION

IN THIS CHAPTER the various child care services in which Canadian children currently receive care are examined. Whether existing services actually meet the needs and preferences of families is examined in Chapter 4. Chapter 5 examines the qualifications, characteristics and working conditions of caregivers, and chapters 6 and 7 discuss the issue of quality.

The various child care options available must respond to the needs of infants, toddlers and preschoolers as well as the needs of school-aged children who require part-time care before school, during lunch-time and after school while school is in session, and full-day care during school holidays. There are many types of care available to Canadian children but, as we shall see both in this chapter and subsequently, the quantity and quality of services are tremendously uneven across the country. Accessibility and affordability are also problems.

## EXISTING CHILD CARE OPTIONS IN CANADA

The existing child care alternatives in Canada can be classified under three headings: licensed care, unlicensed care and no care at all (i.e., children caring for themselves).

### Licensed Care

There are two forms of care within the licensed sector. The most common is the licensed child care centre. A less well known licensed service is the family child care home.

#### Licensed Child Care Centres

All provinces and territories, with the exception of the Northwest Territories which has no child care legislation, license child care centres. Provincial and territorial legislation affecting child care operations, as we will see in Chapter 7, regulates not only physical requirements for centres, but also educational requirements for child care workers, and staff:child ratios. These centres are operated commercially, by non-profit organizations or by a government agency.

Employers may also establish child care centres in the work place to meet the child care needs of their employees. Although, like any other child care centre, these centres must be licensed and must respect provincial regulations, we have devoted a separate section later in this chapter to employer-supported child care because of the special issues involved.

Child care centres offer group care for infants, preschoolers, and school-aged children. Most offer a structured program with outdoor and indoor play, storytime, and arts and crafts activities, and provide nutritious meals and snacks. Care is usually offered only on weekdays, on a full-day basis. Typical hours of operation are from 7:30 a.m. to 5:30 or 6:00 p.m. Some centres provide part-time programs for kindergarten children and school-aged children before and after school and during school holidays, but such programs are rare in Canada. The quality of care offered in licensed centres varies considerably, depending on such factors as provincial licensing requirements, training and capabilities of staff, program design, physical layout and adequacy of financing available to the program.

The principal advantages of licensed centre care over other options are safety, staff qualifications and reliability. Provincial standards and scrutiny of centres are generally much more stringent than those applying to licensed family homes. The presence of several adults provides additional safeguards against abuse or neglect of children as well as accidents while in care. As we shall see in Chapter 5, as a group, workers in child care centres are far more likely than their counterparts offering care in private homes to have taken training specifically related to the care and development of young children. Parents can rely on care being provided each day; if one or more workers in a centre is sick or on vacation, the centre director takes responsibility for finding a replacement. Centres are also more likely than are family homes to provide a play environment specifically designed for the age group served and detailed programming designed to enhance child development.

Disadvantages of licensed child care centres include inflexible hours of operation, cost to parents, unavailability of part-time spaces, and, in programs that are not well designed or managed, an impersonal or institutional atmosphere.

Letters received by the Task Force from parents confirmed the high quality of care offered by some centres and serious problems encountered in others. Many emphasized the necessity of a thorough search before placing a child in a centre.

> *After three negative experiences with sitters, I decided day care was the answer. While the teachers/caretakers here were fair, the problems were still endless: constant ear infections, letters home concerning outbreaks of parasites, and crowded facilities. The latter was especially distressing: twice within two weeks I went to pick up my son and he was missing from his group. He had wandered upstairs and no one had even noticed.*
>
> *Happily, my son is currently in a day care which is able to meet nearly 50 per cent of my standards. The meals are good, the*

> *classes are smaller and they have not lost him (yet). But it is a non-profit day care, run by a church. It is not concerned with making money and does not cut corners, as most do. . .*
>
> *I toured at least half a dozen centres before choosing my current centre. I saw five infants in a stuffy, smelly room with one caretaker who was about 18. I saw toddlers stand in line for everything — even the bathroom. I would hate to be the fifteenth three year old in line for the bathroom.*
>
> *Megan Parker*
> *London, Ontario*

In 1984 some 150 000 spaces were available in licensed child care centres across Canada. Table 3.1 shows the distribution of these spaces by province.

In addition to these spaces, Indian bands in some provinces have established child care centres on their reserve lands. However, outside of Ontario, these centres are not provincially licensed and consequently were not included in the provincial totals of licensed spaces.

## TABLE 3.1

## Child Care Centre Spaces by Province and Territory, 1984

| **Province/Territory** | **Number of Spaces** | **% of Total** |
|---|---|---|
| British Columbia | 12 729 | 9 |
| Alberta | 25 716 | 17 |
| Saskatchewan | 3 511 | 2 |
| Manitoba | 7 747 | 5 |
| Ontario | 51 450 | 34 |
| Quebec | 39 582 | 26 |
| New Brunswick | 2 914 | 2 |
| Nova Scotia | 4 133 | 3 |
| Prince Edward island | 711 | 1 |
| Newfoundland | 769 | 1 |
| Yukon | 378 | * |
| Northwest Territories[a] | 325 | * |
| **Total Canada** | **149 965** | **100** |

**Source:** Health and Welfare Canada, National Day Care Information Centre, *Status of Day Care in Canada 1984*, (Ottawa: 1985), p. 10.

**Notes:** *Less than 0.3 per cent.

[a] 325 spaces in the Northwest Territories which have been approved by territorial officials have been included despite the fact that no licensing requirements exist in that jurisdiction.

## Licensed Family Home Care

Although licensed family home child care accounts for a very small share of the licensed market, it is available in all provinces and territories except New Brunswick, Newfoundland and the Northwest Territories.

In 1984 there were only 22 000 such spaces available in Canada, compared to 150 000 spaces in licensed centres. Table 3.2 shows the distribution of licensed family home child care spaces by province. Nearly two-thirds of all spaces are located in British Columbia or Ontario.

As we shall see later in this chapter, spaces in licensed family homes are used primarily by infants and school-aged children, whereas the majority of spaces in centres serve the preschool age group.

The licensing of private homes to provide child care services is accomplished in two ways in Canada. In some provinces, private homes are supervised by agencies licensed by the provincial government to provide a family home child care program. The agency then is responsible for recruiting, training and monitoring the home care providers under their

### TABLE 3.2

### Licensed Family Home Child Care Spaces, by Province and Territory, 1984

| Province/Territory | Number of Spaces | % of Total |
|---|---|---|
| British Columbia | 8 214 | 38 |
| Alberta | 3 057 | 14 |
| Saskatchewan | 1 500 | 7 |
| Manitoba | 1 234 | 6 |
| Ontario | 6 000 | 28 |
| Quebec | 1 519 | 7 |
| New Brunswick | nil | 0 |
| Nova Scotia | 110 | 1 |
| Prince Edward Island | 11 | * |
| Newfoundland | nil | 0 |
| Yukon | 8 | * |
| Northwest Territories | 36 | * |
| **Total Canada** | **21 689** | **101**** |

**Source:** Health and Welfare Canada, National Day Care Information Centre, *Status of Day Care in Canada 1984*, (Ottawa: 1985), p. 11.

**Notes:** *Less than .2 per cent.

**Does not add to 100 per cent due to rounding.

There are no licensing provisions in the Northwest Territories; these 36 spaces have been approved by territorial officials for purposes of territorial income-tested subsidies. These homes are screened by social workers, using their own subjective appraisal.

sponsorship. In Quebec, Nova Scotia, Ontario and Alberta, all licensed homes are affiliated with an agency. In other jurisdictions, the family home care providers are licensed directly by the provincial or territorial government and receive occasional inspection visits. The frequency of contact between the caregivers and provincial officials varies from once every two to three months in Manitoba, to once annually in British Columbia.

Licensing requirements for family homes also vary from province to province, but are generally much less stringent than those applying to centres.[1] One major difference between the two is in the area of training. While several provinces have taken initiatives to provide training for family home care providers, none requires licensed family home caregivers to have any formal training in child care or child development. Care in homes that are affiliated with an agency and those operating in Manitoba, where provincial officials fulfil similar functions, is enhanced by such services as on-going supervision, advice and assistance, training workshops, toy-lending libraries and crisis intervention. Homes that are merely licensed by the provincial or territorial government and inspected infrequently offer few advantages over unlicensed arrangements.

Licensed family homes may offer more flexible hours of operation than do centres and provide care in a home setting, which is preferred by some parents. A supervising agency may provide parents with a list of alternative caregivers in the event of illness or vacation of the regular caregiver. Disadvantages of this type of care include cost, and problems providing adequate on-going supervision and quality control. Though licensed family homes were once hailed as the low-cost alternative to licensed centre care, it is now recognized that providing a reasonable rate of return for caregivers and adequate supervision of homes scattered throughout a community result in overall costs for the service that are commensurate with those for care in licensed centres.[2]

Licensed family home care is so rare in Canada that few Canadian parents seem to be aware of its existence. Letters from parents to the Task Force rarely mentioned this type of care, and researchers for the Task Force, who interviewed parents regarding their preferences among the different care options, found that most were not familiar with this type.

## Unlicensed Care

The vast majority of Canadian children are in the care of unlicensed caregivers. The nature of these informal arrangements makes it difficult to estimate accurately just how many children are in unlicensed care. Though figures from available studies vary, it appears that over 80 per cent of children receiving non-parental care are in unlicensed arrangements.[3] Full responsibility for regulation, monitoring and supervision of this form of care falls upon the parents using these services.

Informal care may be provided in the child's home or in the caregiver's home. It is virtually impossible to indicate with any accuracy what proportion of children in unlicensed care receive care in their own homes and what proportion are cared for in another home. Available estimates for care in the child's home range from 25 to 45 per cent.[4] Studies conducted in four Canadian cities (Winnipeg, Montreal, Kitchener and Metropolitan Toronto) yielded the following results.[5] The Winnipeg study reported that 29 per cent of families using informal care used care by sitters and relatives in their own homes; the Kitchener study indicated that 35 per cent used care in the family home; and the Metro Toronto study indicated that 36 per cent of the respondents used care in their own home. The Montreal study found that 45 per cent of the care was in the family home by a non-relative, while 14 per cent of the care was by a relative in an unspecified location.

These studies also indicated that the percentage of caregivers who were relatives of the child varied, but, in each of the three studies that considered this variable, care by relatives was provided to no more than one in five children (Winnipeg 21%; Montreal 13.6%; Kitchener 7.1%).

While care by relatives may prove beneficial to both the child and relative-caregiver, briefs presented to the Task Force suggest that such care arrangements can become an unwelcome burden for relatives. A frequently cited concern raised in briefs from individuals and groups from Frobisher Bay, Northwest Territories, for example, was the hardship imposed upon older Inuit women who must assume the responsibility for care of grandchildren, and upon young girls — some as young as 10 or 12 years of age — who are taken out of school to care for younger siblings in a community in which other child care alternatives are virtually non-existent.

There is no consensus on the merits or the disadvantages of informal child care. Unlicensed care varies in quality from very good to extremely poor. At its best, unlicensed private care can provide individual attention in a home atmosphere, often in the child's own neighbourhood. Unlicensed caregivers may offer flexibility for parents who work shifts or extended hours. Many parents who wrote to the Task Force expressed their satisfaction with their children's informal care arrangements. However, many others were less than satisfied.

> *The person whom I chose to care for my children is quite a capable woman. I knew she was the right person for the job when my 3 month old snuggled into her. Not only was I impressed with her rapport, but her home was clean; she was well groomed and this person was practically an expert — she raised seven children of her own.*
>
> *Germaine Coo*
> *Barrie, Ontario*

> *But how much can a 3 year old, let alone an 18 month child tell us about the reality of their day? The morning tears told us lots, but there were no other alternatives (except one of us staying home) accessible to us which would be any better. I guess we'll never know the reality of those long days for our daughter but occasionally, now that she's very articulate, she'll remember and tell us about how the babysitter would get angry if she didn't settle down for her afternoon nap, and pick her up by one leg, hang her upside down and shake her. My anger is not for the babysitter but for our society which apparently insists that if parents (Mothers!) cannot, or will not, stay home to look after their young children, they'll just have to put up with totally inadequate alternatives.*
>
> *Name Witheld*
> *Edmonton, Alberta*

The major disadvantage of unlicensed care is that it is not subject to even minimal standards; there is no system of quality control upon which parents can rely. Parents must trust their own judgement about the appropriateness and quality of unlicensed care, and they have little opportunity to monitor the quality of care their child is receiving during the day.

> *One day I had a phone call from my neighbor asking me if I had a sitter in the house. The baby started to cry shortly after I had left and men who were putting a new roof were asking if I had left this baby alone in the house. I found after a couple of days that my sitter was being dropped off in the morning by her boyfriend; they had been out all night, she was so tired that after I would leave and the other children were gone to school, she would go to sleep. Her alarm was set for 11:45 to make a sandwich and soup for our lunch.*
>
> *Evelyn Murphy*
> *Winnipeg, Manitoba*

> *I hired a student who had taken a child care course offered by the Red Cross. She would leave my daughter alone in the house while she went motorcycling with her friends.*
>
> *Name & Residence Witheld*
> *(translation from French)*

Finding acceptable arrangements can be a long and stressful process, which most parents must repeat several times until their children no longer require supervised care.

## Latch-Key Children

Many Canadian children are left on their own either on a part-time or full-time basis while their parents work or study. These *latch-key* children are generally of school age, but there is evidence to suggest that preschoolers are also left on their own or in the care of older siblings, who are themselves too young to be left unsupervised.

Because of child welfare and criminal legislation, parents are reluctant to admit to leaving children alone. Consequently, the number of children affected is difficult to estimate, but the limited information available suggests that the practice is widespread among families with school-aged children (40 to 50% in some estimates), and that numbers of younger children left alone are sufficiently large to be of concern. A study carried out for the Social Planning Council of Winnipeg in 1984,[6] estimated that 200 preschool children in that city were left on their own during the preceding year. It was also estimated that another 200 children between the ages of five and eight were looking after themselves on a regular basis after school and some 2700 children between the ages of nine and 12 were providing their own care after school. The 1979 Report of the Canadian Commission for the International Year of the Child, *For Canada's Children*, estimated that there were, in that year, over one million latch-key children in Canada; this amounted to one latch-key child to every five children.

Many of these children may be able to take care of their personal needs adequately, but they are ill-equipped to deal with emergency situations such as fire, break-ins, assault or illness. Moreover, these children are denied necessary guidance and affection at an important stage in their development. Many parents who wrote to the Task Force voiced frustration about the lack of after-school care for children in the 6-to-12 age group, and concern about the plight of children left alone.

> *I wish I had a dime for every child I had who showed up at 8:10 a.m. and left at 6:10 p.m. when I taught for John English in Etobicoke. They play games and helped clean — anything to stay with an adult and not go home alone.*
>
> *Name Witheld*
> *Toronto, Ontario*

> *My major concern is for the child aged 5 to 12 who is left unsupervised before school, at noon and after school. How depressing for a child this age to be left alone when they particularly need security. I have seen children standing in the cold waiting for an hour for school to start or sitting in a shed waiting for parents to return from work — this in a so-called wealthy area.*
>
> *Name Witheld*
> *Waterloo, Ontario*

> *In my area there is a drastic need for lunch and/or before and after school care. My son's former sitter takes care of anywhere from 10 to 30 children. I would never report her for the basic reason that she is offering a desperately needed service in our area.*
>
> *Arlene Thorn*
> *Winnipeg, Manitoba*

> *As you can probably tell by now, it hasn't been easy. What scares me the most is next year. Then she starts school and I don't know what I'm going to do. How do you teach a 5 year old that she is to take a different bus whenever I work a different shift? She gets mixed up now and she doesn't have to deal with school yet.*
>
> *Charles Irving*
> *Pictou, Nova Scotia*

## THE SPONSORSHIP ISSUE

A controversial issue of some importance to the child care debate is the sponsorship of child care centres. Commercial centres may be individually-owned and operated businesses, chains, or franchise-type operations. All three types operate in Canada. Non-profit child care centres are generally either sponsored by community organizations such as churches or charities whose boards are made up of members of the sponsoring organization, or parent cooperatives, run by parents of children in the centre.

## Public Sponsorship

A number of municipalities in two provinces — Alberta and Ontario — operate child care centres for children in their communities to partially meet their responsibility for child care services delegated by the provincial government. However, municipal spaces account for only a very small part of the total in these provinces: 4 per cent in Alberta and 12 per cent in Ontario. Enabling legislation in two other provinces — Nova Scotia and Quebec — permit a municipality to apply for a licence to operate a child care facility, but only one municipality (Verdun, Quebec) has applied for such a licence to date.[7] In 1984, 13 189 spaces operated in Quebec under the auspices of the local school boards and the provincial Department of Education providing before- and after-school care for school-aged children.

In 1984, publicly-operated child care centres accounted for only 14 per cent of spaces in Canada. Most centres are privately run by either non-profit groups and organizations (48%) or by private businessess (38%).

## The Profit Versus Non-Profit Debate

There is considerable debate in the child care community over the issue of whether for-profit sponsorship is appropriate for child care centres. Those who support for-profit child care argue that competition will promote higher standards; that there is less bureaucratization in making and implementing decisions in these centres; and that for-profit centres currently contribute a significant portion of total spaces in Canada, services that are needed by Canadian families.

Opponents of profit child care argue that, when maximizing profits is the bottom line, the quality of care suffers as corners are cut to ensure continuing profits. This group further contends that there are presently too few places in the market to motivate for-profit centres to raise standards. Finally, it is argued that for-profit centres incur substantial indirect costs by requiring extensive government supervision to maintain standards, whereas non-profit centres are more effective self-regulators.

### TABLE 3.3

### Sponsorship of Licensed Child Care Centre Spaces in Canada, 1976 and 1984

| Type of Sponsorship | 1976 Spaces | | 1984 Spaces | |
|---|---|---|---|---|
| | n | % | n | % |
| Public | 9 882 | 13 | 20 268* | 14 |
| Non-profit | 34 380 | 44 | 72 115 | 48 |
| Commercial | 33 891 | 43 | 57 582 | 38 |
| **Total Canada** | **78 153** | **100** | **149 965** | **100** |

**Source:** Health and Welfare Canada, National Day Care Information Centre, *Status of Day Care in Canada 1984*, (Ottawa: 1985), p. 10.

**Notes:** *This figure includes 13 189 school-aged child care spaces in Quebec under the auspices of the Education Department that were not included in previous years' totals.

As Table 3.3 shows, although the number of spaces operated for a profit increased between 1976 and 1984, their share of the overall market declined from 43 per cent to 38 per cent. Despite this decline, in some provinces the majority of centres continue to be operated on a profit basis.

In 1984, between one-half and two-thirds of all licensed centre spaces in British Columbia, Alberta and Newfoundland were in centres operated for a profit. In another four provinces (Ontario, New Brunswick, Nova Scotia and Prince Edward Island), more than one-third of all spaces were in centres operated for a profit. As shown in Figure 3.1, for-profit child care is not as prevalent in Saskatchewan, Manitoba and Quebec.

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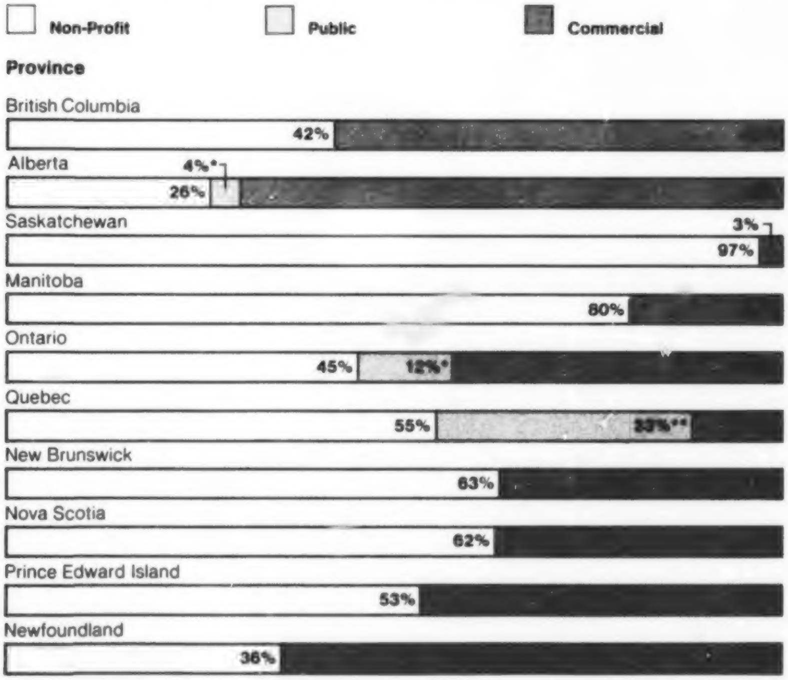
**FIGURE 3.1**

### Interprovincial Comparison of Child Care Centre Spaces by Auspices, 1984



**Source:** Adapted from statistics compiled by the National Day Care Information Centre.

**Notes:** *Spaces operated by municipalities.

**These are school-aged child care spaces under the auspices of the Quebec Education Department and local school boards. They were reported for the first time in the 1984 edition fo *Status of Day Care in Canada*.

## THE PREVALENCE OF SPECIFIC CARE ARRANGEMENTS

In the preceding section, the various child care options available in Canada were reviewed briefly. However, as noted, the availability of these services is very uneven and often Canadian parents have no real choice as to the kind of child care in which they will place their children. Choice implies having a number of options from which to choose. The unavailability of quality child care services in many Canadian communities limits the range of choices many parents have. This section will examine the available data regarding prevalence of the different child care arrangements by children's age, family income and other factors. In Chapter 4 we will examine the extent to which the existing state of affairs matches families needs and parents' preferences for the various types of child care.

The National Day Care Information Centre reports that in 1984, licensed care in centres and family homes provided a total of 172 000 spaces, when an estimated 2 million children aged 0-12 years had parents who worked or studied at least 20 hours each week. Even if all licensed spaces were reserved for children in this core group, only nine per cent could be served by existing spaces in that year. Table 3.4, adapted from data provided by the National Day Care Information Centre, shows the availability of licensed care for each of four age groups.[8]

Where are the other 1.8 million Canadian children while their parents are employed or studying? Accurate data is hard to come by, since so many children are in informal care arrangements or left to look after themselves. However, in one study completed for the Task Force, 336 Canadian families were interviewed to assess, among other things, their use of different child care alternatives.[9] Although results of this study do

### TABLE 3.4

### Children in Licensed Care, 1984

| Age of Children | Estimate of Need[a] | Number of Licensed Spaces | Percentage of Children Served |
|---|---|---|---|
| Children aged 0-17 months | 133 000 | 11 622 | 8.7 |
| Children aged 18-35 months | 166 000 | 22 981 | 13.8 |
| Children aged three and under six | 334 000 | 104 598 | 31.3 |
| Children aged six and under 13 | 1 317 000 | 32 453 | 2.5 |
| **Total Canada** | **1 950 000** | **171 654** | **8.8** |

**Source:** Health and Welfare Canada, National Day Care Information Centre, *Status of Day Care in Canada 1984*, (Ottawa: 1985), pp. 13-15, adapted by the Task Force.

**Notes:** [a] These estimates of the number of children *whose parents work or study at least 20 hours a week* differ slightly from data presented in *Status of Day Care in Canada 1984*. Data contained in that report are estimates based on 1981 census data which were up-dated by the Women's Bureau, Department of Labour to take into account births and deaths and ageing of children over the period. During the same period, the rate of participation in the labour force by mothers with young children has risen considerably. Thus, we have grossed up the estimates for children under six by 10%, and for children 6-12 years by 5% to take into account this change, and we have rounded the numbers to reflect the large margin of error inherent in such estimates. However, we believe these estimates to be sound indicators of the general magnitude of need by this core group. This issue is discussed further in Chapter 4.

not allow statistical inferences to be made about the Canadian population in general or particular population subgroups, the results provide at least a rough indication of the prevalence of different child care arrangements for each age group. Combined with results of the few other existing studies, these results provide clues as to the prevalence of particular forms of care for children of different ages.

## Caring for Infants

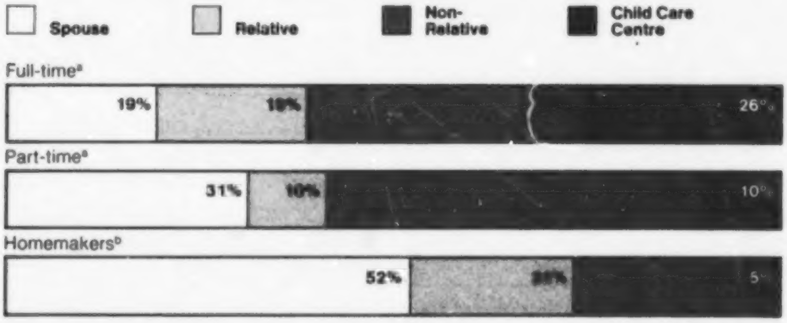
Data provided by the National Day Care Information Centre indicate that, in 1984, less than 9 per cent of children under 18 months and 14 per cent of those from 18 to 35 months whose parents worked or studied a substantial part of the week could have received care in the licensed market. Approximately 23 000 children under three received care in licensed centres (only 15% of licensed centre spaces) and another 12 000 in licensed family homes (55% of all licensed family home spaces).

A survey of 2220 families with children, conducted by the Social Planning Council of Winnipeg in 1984, found that just over 50 per cent of the infants needing care (children under two years) were being cared for by unlicensed, non-related caregivers; approximately 42 per cent were in the care of relatives; and only 8.8 per cent were in licensed care.[10]

A survey of Canadian parents in 14 communities across the country conducted for the Task Force by members of the Canadian Day Care

**FIGURE 3.2**

**Main Type of Non-Maternal Care Used for Infants, by Mother's Work Status**



**Source:** Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E, Table 10, p. 61.

**Notes:** The Table includes fathers in the case of single-parent families.

*Infant* here is defined as a child under two years of age.

[a] Worker or student.

[b] Includes mothers currently looking for work, and full-time homemakers who used some form of care in the week prior to the interview.

Research Network found quite different patterns, depending upon whether the mother was employed full-time, part-time or was a full-time homemaker.

More than one-quarter of the mothers in this survey who worked full-time placed their infants in centre care; 38 per cent were able to make arrangements with husbands or other relatives; and 36 per cent used non-relative care. The babies of mothers who worked part-time were much less likely to be placed in a centre or with a relative, but more likely to be taken care of by their fathers or a non-relative. As for homemakers, in more than half of the cases, the father was the primary provider of care for an infant when the mother herself was not available; a relative was the care-provider in the second largest number of cases.

The researchers found that parents often deliberately scheduled their work and/or school activities so that one parent could be at home while the other was occupied. Not surprisingly, a larger proportion of couples in which the mother worked or studied part-time were able to make this arrangement, than were full-time workers. Only three (less than 2%) of the 189 families that regularly used non-maternal care for their infants or preschoolers employed a full-time nanny. Workplace centre care was used by seven families (five with an infant and two with a preschool child); in six of these seven families the mother worked full-time.

## Caring for Preschoolers

The licensed care market has been most successful in meeting the needs of preschoolers. According to data presented in *Status of Day Care in Canada 1984*, 61 per cent of the spaces in the licensed care market served preschoolers (ages three to five inclusive). In 1984 there were some 98 000 children aged three to five registered in licensed centres, and another 7000 registered in licensed family homes, a larger proportion than any other age group, but still less than one-third of the estimated 334 000 children in this age group whose parents worked or studied more than 20 hours each week. These figures, however, do not include part-time spaces in nursery schools for which we do not have comprehensive data.[11]

The Winnipeg Social Planning Council study of child care arrangements in that city reported that, of the preschool-aged children (aged two to five years) in the sample, 41 per cent were cared for in licensed care arrangements, 39 per cent by private caregivers, and 25 per cent by relatives.

As noted earlier, this study estimated that 200 preschool children in Winnipeg were left on their own at some point during the preceding year.[12] In a 1976 study of child care patterns in Metropolitan Toronto, slightly more than one per cent of respondents made the same admission.[13] The survey conducted for the Task Force found no parents who left preschool-aged children alone, although four regularly left sleeping infants unattended during periods when they attended to farm chores.

For the preschool group, the types of care used by parents in the Task Force survey were found to be remarkably similar regardless of mothers' work status. Between 50 and 60 per cent used a child care centre, nursery school or kindergarten as the main care arrangement. Child care centres were used most often when mother was working or attending school full-time; nursery schools and kindergartens were used more frequently by part-time workers and homemakers. However, it is important to recognize that nursery schools and preschools are used by some full-time working parents, and that child care centres are used by some homemakers.

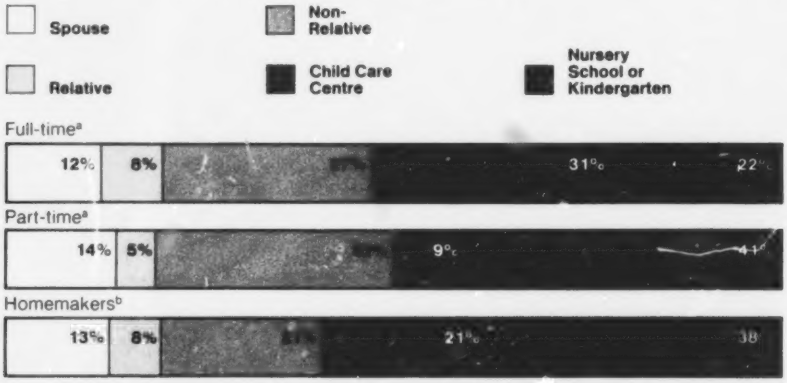
The proportion using spouses, relatives and non-relatives as the main care arrangement was also quite similar, regardless of mother's employment status. Mothers with preschool-aged children were much less likely to rely upon their spouses or other relatives as their main care provider than were their counterparts with infants.

Twenty of the 110 families with preschoolers in this survey regularly used a combination of arrangements (18%). Much smaller proportions of families with infants (7%) and school-aged children (1%) regularly combined arrangements. Combination arrangements were most often found where: a spouse or relative was available part of the time; for five-year-olds attending part-day kindergarten; and when mother's work hours extended into the evening.

Parents handle combinations involving kindergartens in a number of creative ways. Some employ caregivers who drive the children to or from kindergarten; others spend their lunch hour doing so themselves. One family in the Task Force survey had arranged for a cab company to pick up the child on a regular basis and drive him to his grandmother's home. In another family, a five-year-old girl attended a child care centre after

**FIGURE 3.3**

**Main Type of Non-Maternal Care Used for Preschoolers, by Mother's Work Status**



**Source:** Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E, Table 10, p. 61.

**Notes:** The Table includes fathers in the case of single-parent families.

*Preschoolers* here is defined as children aged two to five inclusive.

[a] Includes students.

[b] Includes mothers currently looking for work, and homemakers who used some form of alternative care in the previous week.

kindergarten, which both mother and child liked very much; however the child had to walk unaccompanied to the centre, crossing five blocks and several intersections.

Single parents with young children who work extended hours were found in the Task Force survey to be particularly unhappy and concerned about the lack of flexibility in child care centre hours. One parent who works until 6:00 p.m. showed the interviewer a written notice she had received from her child care centre informing her of a new policy: the centre would close at 5:30 p.m. sharp, and police would be called at that time to pick up any children who were left. At the time of the interview, she was actively looking for a sitter.

## Caring for School-Aged Children

The mismatch between school and work hours as well as school holidays and closures for professional development of teachers creates serious problems for parents who must arrange care for their children, as we shall see in Chapter 4. A great many rely on self-care to cover at least some of these periods. In fact, this practice is so common that self-care appears to be the predominant form of care for children in the six-to-12 age group. Some of these children may be alone for only a brief period each day, before or after school; others, however, are left on their own for much longer periods, as well as during school holidays.

School-aged children between the ages of six and thirteen are the largest group of children that require care, but they receive the smallest share of spaces in the licensed child care market. According to data presented by the National Day Care Information Centre in 1984, only 32 000 licensed spaces were available to care for school-aged children, sufficient to serve less than three per cent of the children whose parents worked or studied more than 20 hours each week. Of these spaces, 91 per cent were in child care centres and nine per cent in family child care homes.

Licensed programs for this age group have been slow to develop in Canada. In 1979 the Quebec government gave authority to the school boards to offer child care services for both school-aged and preschool children, at the request of parents in a school. In practice, this has meant furnishing space and technical assistance to parents wishing to organize such services.[14] Since that time, some 13 000 licensed spaces have opened in the province. School boards in some other jurisdictions are assuming responsibility for developing before- and after-school programs, but without the assistance of additional funds, progress has been slow. The 1981 Statistics Canada survey found that school-sponsored programs were used by only two per cent of children nation-wide. In Winnipeg, 11 per cent of school-aged children received licensed care in 1984. Researchers for the Task Force found that the level of participation in licensed programs depended very much on the availability of programs in each locale.

The overall picture from each of the surveys is as follows: the Statistics Canada survey found that in 1981, 55 per cent of school-aged children cared for themselves, another 16 per cent were cared for by older siblings, and 2 per cent participated in school-sponsored programs. Relatives cared for 9 per cent of the children, and the remaining 17 per cent were cared for in an assortment of arrangements.[15]

The Winnipeg Social Planning Council study found that 43 per cent of the school-aged children were alone or in the care of older siblings, and 11 per cent received licensed care. Another 33 per cent were cared for by sitters in the informal market, and relatives cared for 12 per cent of the children.[16]

The survey conducted for the Task Force found that child care use patterns for school-aged children were almost identical among families in which mothers were full-time homemakers, and those in which mothers were employed or attending school part-time, with 45 per cent of each group relying on spouses as their main alternative care arrangement, as Figure 3.4 shows. Child care options used by families in which the mother worked full-time followed quite a different pattern. These families used a variety of care arrangements: husbands (17%), relatives (17%), non-relatives (17%), before- and after-school programs (22.6%), and siblings (20.6%).

In this survey 23 per cent of full-time workers used before- and after-school programs, as did 10 per cent of homemakers and part-time workers. However, the researchers found that use of these programs was

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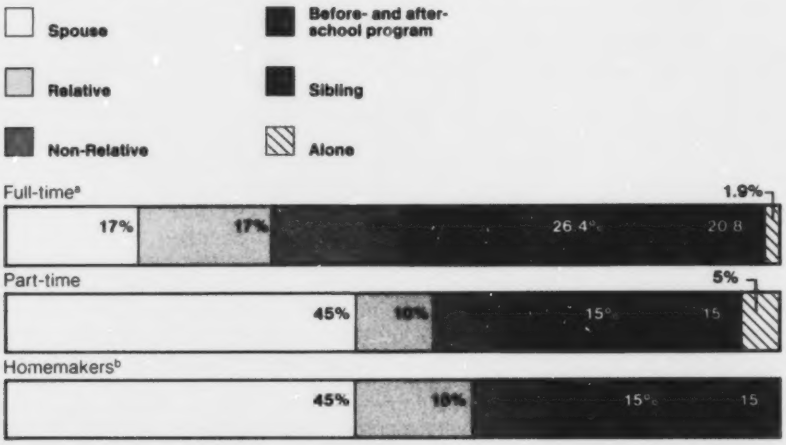
**FIGURE 3.4**

**Main Type of Non-Maternal Care Used for School-Aged Children, by Mother's Work Status**



**Source:** Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E, Table 11, p. 63.

**Notes:** The Table includes fathers in the case of single-parent families.

[a] Includes students.

[b] Includes mothers currently looking for work, and homemakers who used some form of alternative care in the previous week.

location-specific (primarily in Manitoba). Parents in the survey mentioned that, where such programs exist, they tend to be designed to serve the six-to-eight age group, holding less interest for older children.

Of the 93 families with school-aged children in this survey that used some form of non-maternal care, only one family indicated that its child spent the majority of after-school time alone; care by an older sibling was identified as the main form of non-maternal care by 16 families (11 of whom had full-time working mothers). However, 27 families (29%) indicated that their child spent some time alone or under the supervision of an older sibling in the week before the study. Such arrangements were almost three times more common among single-parent families than among two-parent families.

## Family Income and Selection of Care Arrangements

The available research sheds very little light on how factors such as family income influence the choice of child care arrangements. However, parents and child care providers are aware that licensed care is used predominantly by low-income parents who qualify for subsidies, and by high-income earners who can afford the fees.

> *There are only two groups of people who can use day care centres: the very poor and the very rich. The very poor are subsidized, and the very rich can afford it.*
>
> *Jocelyne Therriault*
> *Cté Rimouski, Quebec*
> *(translation from French)*

Low-income parents seem to form a large part of the samples of users of licensed family home care, probably because licensing is a condition for receipt of subsidy in most provinces. A 1983 study of licensed family home child care in Ontario found that 70 per cent of the users were low-income earners, only 5 per cent were middle-income earners, and 20 per cent had annual incomes greater than $35 000.[17] In a 1981 study of child care users in Kitchener, Ontario, all users of licensed family home child care were low-income earners who received subsidies.[18]

A 1981 study on the South Shore of Montreal also showed that, of the families using child care centres, 30 per cent had incomes below $16 000; of this number, two-thirds were single-parent families. At the other extreme, 47.7 per cent had incomes above $26 000, and the vast majority of these were two-parent families. Only about 20 per cent of the clientele fell into the middle-income category of $16 000 to $26 000, which was representative of the average income of Quebec families in 1981.[19]

In a study of child care patterns in Metropolitan Toronto, it was reported that high-income and low-income earners used similar child care arrangements. As well as being more likely to use licensed care, they both had high rates of use of private sitters. The study concluded that these private sitters were more likely to be in the sitter's home for low-income earners, and in the parent's home for high-income earners.[20] The 1981 Statistics Canada survey of child care arrangements confirmed that, compared with other groups, high-income earners do employ more caregivers in their own homes.[21]

Middle-income earners seem to rely on the informal care market. Only 10 per cent of the middle-income earners in the Metro Toronto study[22] and 20 per cent in the Montreal study[23] used child care centres.

The 1981 Statistics Canada survey found that all income groups showed a high rate of self-care for school-aged children, although the rate was lower for upper-income groups.[24]

### Other Factors Affecting Child Care Use Patterns

Factors such as quality and availability of local services, cost and public financial support, operating hours, location, ethnicity, and special needs of the family or children, all affect the selection of child care arrangements. The available information on some of these variables will be canvassed in the following section.

Another significant variable is the number and ages of children in the family. The Task Force survey found that parents make additional efforts to arrange care by a non-relative in the family home if there are two or more children in the family needing care and one is an infant or young preschool child.

## CARING FOR ALL OF CANADA'S CHILDREN

### Caring for Native Children

Native Canadians as a group are not well served by the child care system. Indians have established some child care centres on their reserves but, as can be seen from the following table, these centres are unevenly distributed across the country.

Most bands have no access to centre care for their children, and indications are that many of the available centres are poorly equipped.

> *Our centre is bare at present, i.e., no toys (other than second hand donated from people already donating to other community projects), paper, learning aides, proper training program or sleeping equipment and supplies. In short we are operating at the barest minimum. We have loving, caring workers who are exasperated at not even having make-shift supplies with which to work with our children. The potential of our centre and our workers could be a model to other day care centres if we were properly funded to put our objectives and methods into practice.*
>
> *Amy Hayden*
> *Roseau Reserve #2, Manitoba*

The motivation for establishing child care centres on reserves is three-fold: the centres provide care for the children of working parents; they also offer a setting to pass on the native language and culture to the youngest band members; and they create a stimulating environment that prepares native children for school entry.

There are few specialized child care programs available to Indians off reserves or to non-status Indians, Metis or Inuit families. Status Indian women attending university receive an allowance from the Department of Indian Affairs and Northern Development, which makes provision for child care expenses, but the unavailability of child care spaces presents special problems. In consultations with native women in New Brunswick, the Task Force was apprised of the special difficulties faced by native mothers who come to urban centres for education. They not only have difficulty in finding suitable child care spaces for their children, but upon enrollment in established child care centres, native children suffer culture shock and alienation from their cultural roots.

The Inuit population lives in remote communities in which there are few child care services. Such services as do exist are often beyond the means of employed Inuit parents. Families, therefore, resort to grandparents and to young girls for child care. In consultations in Frobisher Bay, the Task Force learned that this responsibility often becomes an unwelcome burden for grandmothers, and for young girls forced to drop out of school to care for siblings. An integrated child care centre that served both Inuit and non-native children operated successfully for three years in Frobisher Bay with federal funding, but was forced to close when funding expired and the person who ran the centre left the community. Currently, there is a desperate need in northern communities for quality child care services.

## Caring for Handicapped or Disabled Children

Integration of the special-needs child into the mainstream of group child care, especially between the ages of three and five, is seen by many as

**TABLE 3.5**

**Child Care Spaces on Indian Reserves, by Province and Territory, 1984**

| Province/Territory | Number of Spaces |
|---|---|
| Southern British Columbia | unknown |
| Northern British Columbia | 10 |
| Alberta | 542 |
| Saskatchewan | 0 |
| Manitoba | 62 |
| Ontario | 808 |
| Quebec | 10 |
| New Brunswick | 0 |
| Nova Scotia | 0 |
| Prince Edward Island | 0 |
| Newfoundland | 0 |
| Yukon | 0 |
| Northwest Territories | 0 |
| **Total Canada** | **1 432** |

**Source:** Indian and Northern Affairs Canada.

essential for the child's acceptance by his or her able-bodied peers, for the social and emotional adjustment of the special-needs child to the non-disabled world, for continuity between preschool program planning and school-aged program entry and, in general, for assimilation and acceptance of disabled persons into society. The stimulation and challenge provided in a quality group child care setting or in family child care homes, coupled with ideal caregiver:child ratios, have been found to accelerate developmental progress and to improve mental health and coping abilities of special needs children.

Most provinces and territories support, in principle, the integration of some or all disabled or impaired children into mainstream group child care. Most provincial governments offer funding for this purpose in a variety of forms, including per diem subsidies, and grants for renovation, purchase of equipment, training, staff and transportation.[25] Some child care centres have taken advantage of these grants to integrate disabled children into their programs. At present, it is not known how many centres care for disabled children, the kind of disabilities they have been able to accommodate, how many disabled children have been integrated into centres, or how successful the integration has been.

> *. . . he is mentally retarded. I want to tell you that I tried to get him into a day care centre or a nursery school, but all of them told me that it was difficult to take on a child like him. Yet, he has the right to receive as much attention and care as other children.*
>
> *Name Withheld*
> *St-Léonard, Quebec*
> *(translation from French)*

Letters from parents indicate that, despite existing policies in support of integration, opportunities to place disabled or handicapped children in group child care are severely limited. Briefs from interest groups support this claim. In some cases, as suggested by a brief received from the Manitoba League of the Physically Handicapped, child care centres are often not aware of grants available to them. Parents, too, are frequently unaware of opportunities for placement. Many centres are reluctant to accept disabled children because their staff is not trained to care for them, or because their care requires a much higher staff:child ratio.

A survey of Quebec child care centres carried out by L'Association de Paralysie Cérébrale du Québec indicated that 20 per cent of Quebec child care centres had one or more disabled children; 70 per cent were ready, but had not been asked, to accept a disabled child; and 10 per cent were not receptive to caring for disabled children. One reason for such a finding may be that, while many child care centres are equipped, or could become equipped, to accommodate a special-needs child, parents of these children are competing with all other parents for access to a limited number of spaces.

Segregated programs do exist for special-needs children in some communities. The Easter Seal Society, for instance, operates day nursery programs for developmentally delayed children, daily recreational activities, and specialized preschool programs. These programs provide a break for the parent while the child receives therapy or stimulation.

Parents of disabled children also reported serious difficulties in finding suitable private arrangements.

> *I am the mother of a 14-year-old severely disabled boy who has cerebral palsy, and is confined to a wheelchair. I am finding it increasingly more difficult to employ after-school babysitters or someone to take care of him on school-free days. We either have to "bribe" teenagers or home-makers to look after our son by paying $3.00 to $4.00 an hour or my husband or I simply have to take time off work. Knowing that bringing up a disabled child at home is a tremendous long-term financial burden, we need to stay employed and cannot risk losing our jobs or jeopardize our possibilities for career advancement because of frequent absenteeism. I consider this an untenable position for many parents of disabled children.*
>
> *We need, just as much as parents of preschoolers, day care facilities for our children and adolescents. We need a place where we can leave our children after school and on school-free days with competent child care workers who will look after them, and occupy them with meaningful activities until the parents can pick them up after work.*
>
> *Victoria Schaum*
> *St-Bruno, Quebec*

## Caring for Immigrant Children

The labour force participation rate of foreign-born women is higher than for women who are Canadian-born, and immigrant women generally work in low-wage service and manufacturing occupations where they have little control over their shifts and working conditions.[26] Many of these parents have to rely on public transportation to go to work and to take their children to and from child care. Availability, accessibility and affordability of child care are major problems for these families. Immigrant families also have difficulty in obtaining subsidized child care because of their unfamiliarity with the system and lack of language facility.

In a brief to the Ontario Standing Committee on Social Development, Women Working with Immigrant Women expressed concern that some parents are forced to rely on self-care even for preschoolers. On the other hand, the 1984 study conducted by the Social Planning Council of Winnipeg found that recent immigrants were less likely to use self-care for their after-school arrangements than were English- and French-speaking Canadians.[27]

In the study of child care patterns in Metro Toronto, 63 per cent of respondents whose mother tongue was not English used relatives to care for their children, and 30.9 per cent used sitters. However, when these respondents were asked which form of care they would prefer for a three-year-old child, the majority expressed a preference for centre care, on the basis that such care can give a child an advantage in school adjustment and provide opportunities for the child to learn English and French.[28]

## Care Arrangements Used by Full-Time Homemakers

In discussions of child care, full-time homemakers are frequently overlooked. Yet, they too use non-parental care. The 1981 survey of child care arrangements conducted by Statistics Canada showed that 35 per cent of preschoolers and infants whose mothers were not in the labour force received non-parental care on a regular basis. Of these children, 60 per cent were in nursery schools or kindergartens, and 8 per cent were in child care centres. The other children were cared for either in their own homes or other private homes by someone other than their parents.[29]

The Task Force survey found that almost half (46.6%) of the homemakers in the survey used at least one regular non-maternal care arrangement. Homemakers were most likely to rely on spouses (52%) or other relatives (24%) to provide care for infants. The main care arrangement used by homemakers for their preschool-aged children, however, was most likely to be nursery school or kindergarten (38%), a child care centre (21%) or a non-relative (21%). Homemakers with school-aged children were most likely to rely on their spouses as their main alternative child care provider (45%), but 25 per cent of those regularly using alternative care used a before- and after-school or recreational program or a non-relative as their main arrangement.

Several specific programs offering support services to mothers at home have operated successfully. Many neighbourhoods organize babysitting cooperatives, and some parents have access to resource centres. In Ottawa, for example, the Parent Preschool Resource Centre operates a drop-in centre for parents and children, a toy lending service, a library of books and articles on parenting skills, and numerous activities for parents and children to enjoy together. Public libraries and local community centres frequently offer weekday programs of interest to preschool-aged children. However, reliable, good-quality drop-in child care is a very rare commodity in Canada.

## Caring for Children in Rural Areas

Most studies on child care arrangements have been done in urban areas. Letters and briefs to the Task Force indicated that families living in rural areas have particular problems finding suitable child care arrangements. There are few child care centres or licensed family homes in Canada's smaller communities. There is also a lack of supplementary care such as organized play groups and nursery schools for rural children. Finding informal care can also be difficult in areas where the entire population is involved in seasonal work, such as fishing or farming.

> *I consider it very unfortunate that small villages like ours do not have day care centres run by a competent person. I hope that you will be able to help us.*
>
> *Jacqueline Girard*
> *Sacré-Coeur, Quebec*
> *(translation from French)*

In addition to the problems of insufficient child care options shared by all rural families, farm families have problems related to the nature of farm work itself. A study by the Ministry of Agriculture and Food in Ontario pointed out the inaccuracy of the image of farm women as contented homemakers.[30] Farm women contribute many hours directly to the labour and management of farms.

> *No help whatsoever is available in rural areas; provision is only made for women who work 'outside the home'. Note that I am not my husband's helper on the farm; I am his partner and therefore a real 'farmer', and proud of it. However, all wives who help their husbands experience the same problem, and I am quite sure that I am not the only one who has been told 'But you, you don't work!.*
>
> *Karmen Bordeleau*
> *St. Stanislas, Quebec*
> *(translation from French)*

In addition, many women are also employed off the farm to provide the family with a cash income. Farm work can be seasonal and frequently involves long hours. While the image of children playing happily in barns may appeal to city dwellers, modern farms can be hazardous places for small children involving dangers of exposure to heavy equipment and dangerous chemicals.

> *I am a farm wife who works full-time in town. My husband looks after the kids until they turn two — then we use the local day care centre. . . Our greatest problem is the first two years — the kids must be taken to the pig barn or out on the field machinery — or left alone in the house. These are potentially dangerous situations and it slows down progress on the farm. There are few, if any, neighbours free to help out since most women on this line also work out. Our closest relatives are 15 miles away. I worry a lot sometimes. . ..*
>
> *Name Withheld*
> *Atwood, Ontario*

> *We are dairy farmers, our two year old and four year old are around the farm with us. We operate large machinery every day and these children are in constant danger. It is not practical to hire a full-time homemaker as we cannot afford a hired man. It is very depressing to be in a situation where it is not economically worthwhile to hold a full-time job since one spouse already puts in 60-80 hours per week, seven days a week. . . It would be very worthwhile for us to have a drop in centre for the children which doesn't cost a fortune. People in the agriculture sector are at a great disadvantage as they live in rural areas where there are no YMCA's or YWCA's, spas, day cares, etc. This means our children are not being exposed to the facilities which urban children are.*
>
> *Vivian MacAulay*
> *Souris, P.E.I.*

> *Rural day care like its urban cousin would be useful and help prevent accidents; many parents take their children on machinery and tractors. The rural areas have been neglected in this area.*
>
> *Heather & Earl Morwood*
> *Strathroy, Ontario*

> *I could not imagine a store manager with her children underfoot, or a nurse or any other career woman — who wants to or has to work outside the home — with her children clinging to her at work . . . however, farmers' wives wanting to take part in farm work find themselves in this situation.*
>
> *Jacqueline Bôcly*
> *Beauce-Nord, Quebec*
> *(translation from French)*

Some successful child care programs have been developed in rural areas. A successful pilot child care project was organized in Bruce County, Ontario in 1984 with the support of the Concerned Farm Women of Ontario as part of the Federal Summer Works program. Four student child care workers were hired to provide in-home child care one day per week for 20 farm families. Similarly, in Prince Edward Island, a successful mobile resource called Play and Learn (PAL) has been operating since 1982 under a National Welfare Grant from Health and Welfare Canada. This program, which operates out of Montague serving nine communities in King's County, offers opportunities for parents and children to come together to learn new skills, to play, to seek support and to interact in an informal environment.

### Caring for Children of the Unemployed

A special group that requires child care on an occasional drop-in basis is comprised of the children of unemployed parents. As a condition of receiving Unemployment Insurance benefits parents must be able to demonstrate that they have child care available should they receive a job offer, and that their child care arrangements permit an active job search. However, few programs exist to provide child care for these parents while they look for work. Parents may actually lose their child care subsidies as a consequence of being unemployed, making the search for employment an even more difficult and trying task.

A child care centre sponsored by the Unemployment Working Centre in London, Ontario provides drop-in occasional care up to three times a week at no cost to the parent. Parents use this service while attending job interviews or searching for work. In Edmonton, Project Alternative Childcare (PACE) provides sixteen spaces free of charge in a licensed child care centre to children of unemployed parents. Some flexible care arrangements are available. Some parents use the centre on a part-time basis, others full-time, with the average stay lasting between two and three months. Unfortunately, few such creative arrangements exist to provide a much-needed service.

## EMPLOYER-SUPPORTED CHILD CARE

When trade unions first began to take an interest in the question of child care, they argued that, since child care is necessary in order to allow parents, particularly women, to work, the primary responsibility for providing it lies with employers. Since that time, trade unionists, as well as others, have come to realize that many parents prefer care arrangements close to their homes, and that many work places are ill-suited to child care. For these reasons, employer-supported child care is no longer seen as the basic model for child care, but as one component of a diversified system.

## Definitions

Although much has been written on the the subject of employer-supported child care, little is known about the extent or availability of these services in Canada. The information in this report is based on a study conducted for the Task Force which provides a descriptive overview of work-related child care in Canada today.[31]

The terms *employer-supported child care* or *work-related child care* describe a broad range of programs that may be made available by an employer to employees only, or to both employees and other families in the community. The Task Force study defines employer-supported child care as:

> *a program established by and/or having some on-going involvement with a sponsoring employer or employee group for the purpose of meeting the child care needs of parents in the employ of the sponsor.*

In the study conducted for the Task Force on employer-supported child care, centres located in universities or community colleges were not included because, historically, many were established to provide in-service training for students in Early Childhood Education programs, even though today their primary function may be to cater to the child care needs of employees and students of the institutions. There are at least 90 child care centres in post-secondary institutions across the country.

## Existing Programs

Currently, most employer-supported child care programs are group child care centres. Work-related, supervised, private home child care programs and child care counselling services do exist in Canada, although there are very few of them. Personnel policies, outlined in Chapter 2, while not assisting with the delivery or provision of services, may reduce the need for child care or provide some form of financial assistance to parents.

Most work-related child care programs in Canada are delivered through group child care centres at or near the workplace. Employer-supported child care measures, however, may also take the form of spaces purchased at local centres and direct subsidies to employees to help defray the cost of child care.

In 1984, there were 79 employer-supported child care centres in seven provinces and the Northwest Territories. No work-related centres were found in New Brunswick, Prince Edward Island, Newfoundland or Yukon. The following table shows the distribution of work-related child care spaces across the country.

Most work-related programs (69 of the 79) were started after 1976. Of these, 33 began operating after 1980. Since 1980 most of the growth has taken place in Quebec and Ontario, and, from 1976 to 1980, in Quebec alone.

The 79 workplace programs that currently exist accommodate 3447 children, representing three per cent of the licenced group child care spaces in Canada in 1984. In Quebec, nine per cent of all licensed spaces are in workplace centres.

The majority of these spaces are situated in urban locations (i.e., in centres with a population of more than 10 000). Programs in rural and remote areas comprise just 17 per cent of the total. In some cases, the programs located in rural areas provide the only centre-based child care available in the community.

Work-related child care centres are supported or sponsored primarily in the public or parapublic sectors, with a substantial proportion (56%) found in hospitals or other health care institutions. The majority of these programs (31 out of 44) are in the province of Quebec, which has a public commitment to establish child care centres in public buildings.

The majority of centres are operated as non-profit corporations, at arm's length from the sponsoring organizations. Four programs are contracted out to enterprises outside of the sponsoring organization, two

## TABLE 3.6

### Distribution of Work-Related Child Care Spaces, by Province and Territory, 1984

| **Province/Territory** | **Total Group Child Care Spaces** | **Number of Work-Related Spaces** | **% of total of Work-Related Spaces** |
|---|---:|---:|---:|
| British Columbia | 11 424 | 86 | 2 |
| Alberta | 26 442 | 114 | 3 |
| Saskatchewan | 3 493 | 40 | 1 |
| Manitoba | 7 655 | 193 | 6 |
| Ontario | 50 014 | 644 | 19 |
| Quebec | 26 393 | 2 295 | 67 |
| New Brunswick | 2 885 | 0 | 0 |
| Nova Scotia | 7 873 | 15 | * |
| Prince Edward Island | 530 | 0 | 0 |
| Newfoundland | 769 | 0 | 0 |
| Yukon | 396 | 0 | 0 |
| Northwest Territories | 350† | 60 | 2 |
| **Total Canada** | | **3 447** | **100** |

**Sources:** 1) Jane Beach and Laurel Rothman, *Study on Work-Related Day Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E, Table 2.4.2, p. 71.

†2) Provincial officials responsible for child care.

**Notes:** † Estimated — unlicensed.

* Less than .5

of which are non-profit and two of which are commercial operations. Other centres operate as departments of the employer organization. Each type of sponsorship offers certain advantages to the employer. Distinct non-profit corporations allow the operation and funding to be shifted from the employer, and in some provinces this may render the centre eligible for public funding. It also permits increased involvement and participation by parents. A program operating as a department of the sponsoring employer offers the employer more control and opportunity for tax relief.

Licensed work-related child care centres range in size from 15 to more than 80 spaces, with the majority of centres (65%) providing care for between 31 and 60 children. Twenty-nine of the 79 programs have a capacity of 45 or more, indicating a significant allocation of space by the sponsoring employer.

The utilization rate (or percentage of enrollment to capacity) of work-related child care centres is fairly high. The study found 66 of the 79 programs to be operating at 80 per cent or more of capacity, and over half of the programs were virtually full. Centre size, location, sponsoring organization and management appeared to have no bearing on utilization.

Work-related child care, in all provinces, provides a service not only to employees but to families in the surrounding community. This is particularly true in Quebec, where over half of the work-related child care spaces are occupied by children whose parents are not employees. Quebec has a deliberate policy of providing child care to the community as well as to the employees. In other cases, participation by families in the community at large appears to reflect the need for a bigger population base for the centre.

A substantial proportion of the programs (57%) provide infant care. In Ontario and Quebec, 62 per cent offer infant care. At least 12 per cent of total enrollment in work-related child care is available for infants (i.e., children under 18 months), compared to less than eight per cent in community-based centres. Many programs that did not provide infant care due to licensing restrictions,[32] lack of space or cost, nevertheless indicated there was a significant demand for it.

The range of on-going support by employers for work-related child care programs varies considerably. At one end of the spectrum, one employer limits support to permitting one employee representative on the board of directors of the centre and pays no occupancy or on-going costs. At the other end of the spectrum is the centre in Nanisivik, in the Northwest Territories, which is totally funded and supported by the employer; parents in Nanisivik pay no user fees for the service.

Forms of on-going support by employers include subsidization of occupancy costs (rent, utilities, repairs, maintenance); administrative and operating assistance (expenses relating to food, laundry services, accounting assistance and other in-kind services); direct financial assistance (such as operating grants or interest-free loans); and assistance in fund-raising, advertising, or research. The most common forms of on-going support are, first, subsidies to occupancy costs, followed by administrative assistance. Fewer than 20 per cent of the centres receive direct financial assistance.

While most work-related child care programs take the form of group centres, employer-sponsored initiatives may consist of purchase of spaces on behalf of employees, or direct subsidies to workers. The Metropolitan Toronto YWCA provides a monthly cash payment to employees with children under 12 to help defray the cost of child care. These alternatives, however, appear to be quite rare.

Some unions have used collective bargaining as a tool to improve the affordability and availability of child care for their members. The United Auto Workers have negotiated an agreement under which American Motors contributes two cents per worker per hour to a child care fund. The fund is to be used to set up a centre at or near the plant to accommodate the needs of 1200 shift workers, most of whom are women.

## Government Participation in Work-Related Child Care

The federal government is involved in child care in the provision of financial support through the Canada Assistance Plan and the Income Tax Act. The implications of this participation are examined in Chapter 8. This chapter examines the role the federal government plays as an employer. Provincial and territorial governments have more extensive responsibilities for child care, as they not only provide funding, but also set policies for the delivery of child care services. However, they too are employers with a role to play in employer-supported child care. Although municipalities have a limited role in funding or providing child care services, some municipalities have not only sought to promote child care services in their communities but also have provided work-related child care for their own employees.

### The Federal Government

The federal government, as employer, has developed personnel policies that support the needs of working families and, in 1981, launched a pilot project to assist employees in establishing child care centres in federally-owned or leased buildings.

The federal child care pilot project allowed the Department of Public Works to undertake renovations to establish child care facilities in federal buildings. It also allowed selected federal departments to provide on-going occupancy costs, including utilities and maintenance. The intent of the program was to establish separate, non-profit centres, which the parent-users would operate independently.

To date, three child care centres have been established in federal government buildings for the children of employees: the National Film Board in Montreal, Environment Canada in Downsview, and the Canada Employment and Immigration Commission in Hull. There is, in addition, a child care centre in the Parliament Buildings for the children of Members of Parliament, Senators, and employees of the House of Commons. Several child care centres have also been established on military bases as community facilities. These were allocated space in government-owned buildings but received no support for renovation, equipment, maintenance, or operating costs and are operating outside the current policy. Other departments have expressed interest in establishing child care centres, but further expansion was halted in mid-1984 until current programs are evaluated by Treasury Board. The Task Force was advised by officials of the Treasury Board Secretariat that an evaluation of the program is still in progress.

Departments wishing to establish workplace child care centres must make a submission to Treasury Board demonstrating seven factors: (1) that there is a shortage of child care in the surrounding area; (2) that an interest has been expressed by employees in using such a centre; (3) that adequate parking is available for parents; (4) that the users of the proposed child care facility have formed a legal corporation to assume full legal and financial responsibility for running the centre; (5) that all provincial and municipal regulations will be followed; (6) that Public Works Canada has made the necessary estimate of fit-up costs and is willing to make the necessary renovations; and (7) that provincial and municipal subsidies are available for eligible parent-users. Departments may assume all or part of the costs of fit-up, rental, and maintenance. The rest of the costs are the responsibility of the corporation formed by the parent-users. The Department of Public Works is responsible for estimating the costs of adapting the space to use for a child care facility, and provides such renovation services as a department may require.

As yet, no arrangement has been made for two or more departments to share the cost of a centre, although the existing centres sponsored by a single department do serve children whose parents work for other departments. In order to expand the system to cities with smaller populations of public servants, and to office complexes in which more than one department is a tenant, it would seem appropriate for the federal government to develop a mechanism to share the costs of establishing workplace child care among several departments.

### Provincial/Territorial Governments

Like the federal government, provincial and territorial governments have two roles with respect to the provision of child care services. Provinces and territories are major employers; in this capacity, some jurisdictions have developed policies regarding work-related child care. In their role as governments, they are responsible for the delivery of child care services, including services provided by private sector employers.

Ontario and Quebec have specific policies that encourage work-related child care. In June 1984, Ontario provided a capital funding project of $390 000 to assist with the creation of new work-related centres in selected parts of the province. In addition, the Ontario Day Care Initiatives Program provides limited capital and start-up grants on a selective basis to non-profit organizations.

As a result of negotiations and meetings with the public sector unions over several years, the Quebec government committed itself to opening 6000 new child care spaces over a three-year period in public sector buildings (hospitals, local health clinics, colleges, universities, crown corporations, provincial government buildings). In practice, this means that no new public building may be built without child care space, and that many older ones have been renovated, with the government picking up capital costs not covered by the Office des services de garde à l'enfance. In principle, half the spaces in public sector centres are to be filled by children from the surrounding community, and half by children of public service workers. Although, in practice, the percentage varies from zero to nearly 100, the impact of this initiative has been significant. A large proportion of child care programs established in Quebec since 1980, especially those outside of greater Montreal, are located in public sector worksites.

Several other provincial governments have taken initiatives for their own employees, but generally action is limited. British Columbia and Ontario have established a limited number of child care spaces for their employees. However, these came about through individual efforts or union negotiations and not as part of any specific government policy. In British Columbia, the government's role was limited to making free space available. Ontario has three centres to serve provincial employees, for which the province provided free space. Manitoba, Newfoundland and Saskatchewan have initiated efforts to support child care for employees. Manitoba is both making space available and contributing capital funds to employee groups starting centres. In the fall of 1985, work-related child care is expected to be a bargaining issue with the Saskatchewan Government Employees Union. The government of Newfoundland is in the process of establishing a child care centre for its employees.

## Policies and Initiatives of Canadian Unions

Canadian trade unions have addressed the issue of work-related child care for some time. The British Columbia Government Union pioneered the first union-sponsored, union-funded child care facility in Canada in 1971. By 1980, both the C.L.C. and C.U.P.E. had formal policy statements on child care urging a universally accessible, non-profit, non-compulsory, government-financed, high-quality, comprehensive child care system, of which work-related child care would be one component. Moreover, as we have seen, the policy established in the Quebec public sector came about as a result of concerted pressure from the trade unions over a period of time.

Recent union initiatives have taken a variety of approaches to solving the child care problems of unionized workers. Flexible parental leave to care for ill children or adopted children has been negotiated. C.U.P.E. and the Metro Toronto Y.W.C.A. agreed to the employer making a monthly cash payment to help defray child care costs of employees. Licensed child care programs and supervised private home child care for infants were negotiated for hospital employees of several major Edmonton hospitals. The U.A.W. has negotiated two recent settlements with child care clauses. In a unique settlement with the American Motors Corporation, AMC agreed to contribute two cents per worker per hour per year. This totals approximately $48 000 in the first year; the fund is to be used to establish a centre at or near the plant.

## Factors Affecting the Development of Work-Related Child Care

Several factors have a major effect on the development of work-related child care. Regulatory requirements such as restrictive zoning bylaws, the cost of servicing new land, and municipal taxes directly affect the development of work-related child care programs. Provincial licensing and registration requirements may present difficulties in some workplaces where, for example, outside play areas cannot be provided.

Land use planning, and particularly the use of density bonuses, is not generally seen as an appropriate solution to encouraging on-site child care centres. While positive examples of this strategy exist, it is problematic for both urban planners and developers.

Municipal and federal taxation policies affect work-related child care. Municipal property taxes can be a significant burden for these centres. As a result, some commentators advocate exemption of all child care centres from the local tax base. The federal Income Tax Act allows employers who operate a child care centre to deduct many of the daily costs of operation as current expenses and also allows for capital cost allowance deductions. Arm's-length non-profit child care corporations could be registered as charities (although this would make priorizing employees' children impossible), so that employer contributions would be deductible. New tax incentives, such as the recent American tax policy, which allows the provision of approved child care services to be provided to employees as a tax-free benefit, could encourage the development of more employer-supported child care programs.

Grants for capital, start-up and operating costs can also play a significant role in encouraging or discouraging work-related child care.

The attitudes of both management and employees can inhibit or promote the development of work-related child care. For example, a belief that employee benefits must be universal can be a barrier to developing work-related child care facilities, as can traditional views about the suitability of mothers remaining in the labour force. Some trade unionists are reluctant to strongly advocate workplace child care for fear of weakening the thrust for a universally accessible, publicly-funded system. Other concerns relate to the suitability of many work environments for quality child care, and the possibility that workplace child care may tie workers, especially women, to low-paying, undesirable jobs.

## Advantages and Disadvantages

User fees for workplace child care services differ little from those of community-based centres, with the result that affordability is a problem that cuts across both work-related and community-based child care. Most employer contributions are in capital, start-up and occupancy costs which, on an on-going basis, are a relatively minor portion of the overall budget. Centre locations are generally conveniently accessible to employees, and problems with location from the employers' view do not appear to be significant. However, a number of work-related centres are unable to meet employee demand. Also, workplace child care does not appear to have a much better record than that of community-based child care in meeting the needs of those with schedules that do not conform to normal working hours.

Work-related child care does seem to meet a higher proportion of the demand for infant care than does licensed community-based care. It also provides spaces for other members of the surrounding community. Quality of work-related child care is difficult to gauge, but it appears to be at least equivalent to community-based care.

There is no doubt that work-related child care, despite its limitations, is currently providing a much-needed service to communities and employee families that are its beneficiaries. It is, however, a service that has developed in the absence of an adequate supply of community-based child care and, given its limitations, it is not in itself a solution to the need for a comprehensive system.

## CONCLUSIONS

Most Canadian children needing care are being cared for in informal care arrangements of varying degrees of quality. By definition, this care is unlicensed and not subject to regulation ensuring maintenance of quality standards. Parents must rely solely upon their own assessment and their own periodic reassessments of the care provided.

Licensed care, provided in centres and family child care homes, is a service that is available to fewer than nine per cent of the core population group needing it. A family's chances of finding and using licensed care are greater if the family lives in an urban area, needs care for a preschooler, and has either an income high enough to pay for the service or an income low enough to qualify for subsidy. Even among these groups, however, there are insufficient spaces to accommodate the population. Infants and school-aged children are served least well by the licensed system. Self-care seems to be the most prevalent form of care for the school-aged population. Other groups that are not well served are children with unemployed parents, immigrants, handicapped and disabled children, the native population, and children in rural areas.

While licensed care is delivered by both the public and private sectors, the private sector provides the greater proportion of the child care. Within private sector care, both profit and non-profit organizations operate. There is some controversy as to whether child care can be provided on a profit basis without affecting the quality of service.

Licensed care is seen as providing stable, consistent service with quality programming and trained staff. There is, however, in services currently provided, little flexibility to accommodate children who need care outside the core operational hours of 7:30 a.m. to 5:30 or 6:00 p.m, Monday to Friday. Family home child care in the licensed market could provide this needed flexibility, but too few spaces currently exist to do so.

Workplace child care has a role to play in the development of a child care system. The programs that do exist in Canada generally offer care for children in the community as well as for employees of the sponsor.

We will examine in some detail child care needs and parental preferences in Chapter 4, the characteristics and working conditions of caregivers in Chapter 5, and the issue of quality and adequacy of licensing systems in Canada in Chapters 6 and 7.

Courtesy of The Citizen

# 4

# Child Care: Needs and Preferences

## INTRODUCTION

IN CHAPTER 3 we examined child care arrangements, and in Chapter 5 we will explore characteristics and working conditions of the people who provide care for children. This chapter examines two related issues: the needs of children and parents for supplemental care; and the preferences of parents for different types of child care services.

This chapter will attempt to go beyond traditional definitions of need, which are premised on the assumption that child care is needed only in one of two circumstances, namely: when both parents (or a single parent) are absent from the home because of employment or education; or as a social service intervention measure to prevent, overcome or alleviate conditions believed to be seriously detrimental to the development of a child. These notions tend to narrowly define child care as essentially a welfare service. Child care, however, can and does serve a variety of needs within the Canadian context.

In our examination of needs, we will stress the need for variety and flexibility of services. Estimates of the number of spaces required will also be provided. Finally, we will discuss the special needs of particular groups of children.

In examining parental preferences for particular types of arrangements, the discussion will focus on the influence on parental preference of such variables as the child's age, the mother's work status, and the family's experience with child care.

A significant proportion of the material for this chapter was gleaned from a survey done for the Task Force by the Canadian Day Care Research Network on Parental Needs and Preferences. This survey was based on 336 interviews with parents of infants, preschoolers, and school-aged children in 14 urban and rural locations across the country. The survey results have been supplemented by census data, labour force statistics and other recent child care studies.

## CHILD CARE MEETS A VARIETY OF NEEDS

Rapid changes in society and the family have been accompanied by changed needs for child care. Traditional economic and social service definitions of the need for child care, which view child care as arising from, or symptomatic of, exceptional circumstances, no longer fit the reality of Canadian families, as we saw in Chapter 1. While some policy-makers may continue to assume that, in all families, one parent remains at home for the care and nurturing of young children, and that non-parental child care is required only under exceptional economic and social circumstances, many parents surveyed, as well as those who wrote to the Task Force, recognized a need for quality non-parental child care as a fundamental support service to enable them to be more effective individuals and parents. Table 4.1 illustrates the range of situations to which supplemental child care can respond.

### TABLE 4.1

### Purposes/Functions Served By Supplemental Child Care

---

1. To provide appropriate care when both parents or a single parent is working, or engaged in an employment-related activity:
   - —full-time employment
   - —part-time employment
   - —at a conference or travelling out of town in connection with one's work
   - —engaged in farm labour
   - —looking for work

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2. To provide appropriate care when parents are continuing their education or enrolled in a training or re-training program.

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3. To provide care for children and support to families with special needs, for example:
   - —families in which one or both parents have chronic health problems
   - —families experiencing, or at risk of experiencing, significant distress
   - —families with a background of, or high risk of, child abuse and neglect
   - —families with a handicapped or chronically ill child

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4. To provide children with opportunities to participate in experiences designed to stimulate their physical, intellectual and emotional development, promote personal competence, and enable the development of social skills through interactions with other children and adults.

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5. To provide children with special needs (e.g., retardation, sensory impairments, etc.) with an opportunity to receive specially designed stimulation and remediation in a setting that allows social interaction with other children and adults.

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6. To provide appropriate child care as a supportive resource to families at specific times of peak need occasioned by such circumstances as:
   - —a family illness or emergency
   - —childbirth
   - —seasonal employment
   - —lack of availability of regular caregivers
   - —school or program closings during summer months, professional development days, holidays, etc.

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7. To provide appropriate care when parents are engaged in:
   - —Volunteer or community acitivites
   - —Religious or ethnic groups/activities
   - —Personal or social tasks or activities
   - —Family tasks (with, or on behalf of family members) at which time it is appropriate or desirable to utilize supplemental child care.

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**Source:** Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns about Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E.

It is now evident that child care cannot be regarded only as a support for parents while they work or study, but must be viewed as a basic support system to meet the needs of *all* families and children. All families need and use child care. Child care is required while parents work, look for work, study, volunteer or socialize. Child care is required during family emergencies such as illness or childbirth, school closing, or seasonal employment. Child care is also particularly important for high-risk families and for children with special developmental needs. Finally, children need the stimulation provided in a good child care or nursery school program, particularly during their preschool years.

## Needs of Parents

### Child Care Needs of Working and Studying Parents

The preceding discussion identifies the range of situations for which child care is required. We can expect for some time into the future that the bulk of demand for full-time child care spaces in Canada will be taken up by the children of parents who work or study. However, as we shall see, there is also a great need for part-time and occasional services, for the children of working parents as well as of full-time homemakers.

Yet, despite the preoccupation of policy makers and child care practitioners with full-time care, precise estimates of the number of children of working and studying parents who require full-time care are hard to come by. The closest that we come to a reasonable estimate of the need for child care by studying and working parents is provided by the National Day Care Information Centre, Health and Welfare Canada. Using data from the 1981 census, the Centre produced estimates of need for four groups of families: mothers in the labour force; parents working full-time; parents working or studying full-time; and parents working or studying at least 20 hours per week. Table 4.2 provides the latest figures on the total number of children in Canada and the estimated number of children whose parents worked or studied full-time or substantial part-time hours in 1984.

It is our view that the fourth measure is the best approximation of the number of full-time child care spaces needed in Canada, since it captures both students and employed parents. Most of the children in this group — in fact 1 565 000 of the 1 950 000 total, or 80 per cent — had parents who worked or studied full-time. When parents work a 30- or 40-hour week, we can expect, with the addition of travel time, that their children will spend 40 to 50 hours in a child care arrangement. For these families, quality of the arrangement is particularly important.

The second line in the table shows the number of children whose mothers are employed, a measure that has traditionally been used to estimate the need for child care spaces, in the absence of more precise measurements. This measure, while it does provide a good approximation of the number of children who require extra-familial care during working hours, overstates the need for *full-time* spaces, since all mothers who are employed at least one hour each week are included, and the employment status of their spouses is not taken into consideration. On the other hand, an estimate that includes only children whose parents work or study full-time understates the need by a considerable margin. A child whose parents work or study at least 20 hours each week can expect to spend at least 30 hours in a child care arrangement, occupying a full-time space.

Thus, our best available estimate is that, in 1984, there were some 1 950 000 children under 13 years of age who required *full-time child care* while their parents worked or studied. This total includes some 188 000 infants under 2 years of age and 445 000 preschool-aged children, all requiring full-day care, as well as 1 317 000 6-to-12-year-olds who required before- and after-school care on days when school was in session and full-day care whenever schools were closed. These children are a substantial portion of the total population, comprising 42 per cent of all children in these age groups. As the participation in the labour force of mothers with young children continues to rise, and as most mothers take full-time jobs — which present trends predict over the next decade — a larger and larger proportion of children will require full-day care.

As noted in Chapter 3, there were only 171 654 licensed spaces available across Canada in 1984 to serve the needs of the estimated 1 950 000 children requiring full-time care. The great majority of these

## TABLE 4.2

## Total Children in Canada in 1984 and Estimates of Children Requiring Non-Parental Care

| | Children Under Two | Children Aged Two to Five | Children Aged Six to Twelve | Total |
|---|---|---|---|---|
| All children | 744 300 | 1 455 200 | 2 489 100 | 4 688 600 |
| Mother employed[a] | 304 000 | 620 000 | 1 693 000 | 2 617 000 |
| Parents working full-time[b] | 139 000 | 327 000 | 991 000 | 1 457 000 |
| Parents working/ studying full-time[c] | 151 000 | 356 000 | 1 058 000 | 1 565 000 |
| Parents working or studying at least 20 hours per week[d] | 188 000 | 445 000 | 1 317 000 | 1 950 000 |

**Sources:** Estimates of the total population of children (line 1) are taken from: Statistics Canada, *Post-Censal Annual Estimates of Population by Marital Status, Age, Sex and Components of Growth for Canada, Provinces and Territories*, June 1, 1984, Vol. 2, Cat. No. 91-210.

The remaining four estimates are based on Tables 7 to 10 presented in: Health and Welfare Canada, National Day Care Information Centre, *Status of Day Care in Canada 1984*, (Ottawa: 1985), pp. 13-16.

These estimates differ slightly from data presented in *Status of Day Care in Canada 1984*. Data contained in that report are estimates based on 1981 census data which were up-dated to take account of births and deaths and ageing of children over the period. During the same period, the rate of participation in the labour force by mothers with young children has risen considerably. Thus, we have grossed up the estimates for children under 6 by 10 per cent and of children 6-12 years by 5 per cent to take this change into account, and have rounded the numbers to the nearest 1000.

**Notes:** [a] Mother in the labour force and employed at least one hour per week.

[b] Single parents and both parents in two-parent families employed 30 hours or more each week.

[c] Parents included in (b) above, plus single parents attending school full-time and two-parent families in which one or both parents attend school full-time.

[d] Parents included in (c) above, plus single parents working 20-29 hours per week and two-parent families in which both parents work at least 20-29 hours per week.

children are being cared for in informal arrangements of varying degrees of quality.

What of the remaining 2 739 000 children? Many of these children have one parent who works at a regular part-time job for fewer than 20 hours each week, or who is a part-time student. Some parents in these families may be able to avoid the need for supplemental child care during their working hours by alternating their working shifts so that one parent is with the children while the other is at work. Most of these families, however, must find a regular part-time child care arrangement. Many parents who work part-time have great difficulty finding suitable arrangements, particularly if they work irregular hours, as is common in retail businesses. Affordability can also be a problem, since part-time incomes are so much lower than full-time ones.

Some of these children have a parent who cares for them at home on a full-time basis. While these families require fewer hours of child care each week, both parent and child in these families have needs that can be met only by the provision of good child care services. These needs will be described in a subsequent section.

## Hours of Service and Needs of Shiftworkers and Seasonal Workers

> *People like me need more flexible services, such as hours extending beyond 8:00 a.m. to 5:00 p.m. . . . it should be possible to send our children to day care centres on the weekends.*
>
> *Name Withheld*
> *Montreal, Quebec*
> *(translation from French)*

The needs of shift workers and those in seasonal employment do not coincide with the hours of operation of licensed child care centres. Licensed child care is generally unavailable outside the standard working hours or on an irregular basis.

Many communities are built around industries that rely on some form of shift rotation to maintain a steady level of production. Many services in these communities (restaurants, banks, food stores, hospitals, transportation) have work schedules that also do not conform to the hours of service of licensed child care centres.

In the survey conducted for the Task Force on parents' needs and preferences for child care, 33 per cent of the employed mothers had variable work schedules that included one or both week-end days, regular or rotating shifts of non-standard hours, or irregular work hours.[1] Among the weekend and evening workers were waitresses, sales and bank personnel, nurses, and chambermaids. In addition, a small number of professional respondents (lawyers, university professors) worked either at home or in the office in the evenings. Students, too, have variable schedules. College and university students may have different schedules on different days, and schedules may change from one semester to another. Parents whose schedules vary or who work non-standard hours clearly have a need for flexible arrangements, to which the present system fails to respond.

> *As a pediatrician completing a residency four years ago, I was somewhat shocked to discover the poor state of affairs for the care of children in Canada when I began searching for day care for my then unborn first child. I required a situation where there was flexibility in the schedule (I often worked from 8 a.m. until 6 or 7 p.m.) and also occasional (once a week) overnight care (when I was on call). There was absolutely nothing available.*
>
> *Jacqueline Evans*
> *Halifax, Nova Scotia*

The summer months constitute the peak employment period for those working in seasonal occupations such as farming, recreation and hospitality industries. Often, most of the adults who could provide care are employed in the local industry at this time of year. Summer-only child care centres, which could respond to the needs of these families, are rare in Canada. In the Task Force survey, rural families pointed to a need for additional community programs for preschoolers and school-aged children, as well as to the need for transportation to those facilities. Families also mentioned that finding care during periods of peak need such as the calving or haying seasons, was very difficult.

### Child Care Needs of Full-Time Homemakers

Homemaker-parents have a need for child care services in a variety of situations. Some arise from the nature of their work, which has changed significantly over the past fifty years. Whereas a homemaker in the 1920s and 1930s could expect many household goods to be sold door-to-door, the family's clothing, food and household goods are now purchased in retail stores often some distance from the family home. As a result of this change, as well as of improvements to household technology, shopping has become a major task for homemakers.[2] Many parents who wrote to the Task Force expressed a need for reliable child care during these peak periods of their work as homemakers.

> *How about taking baby for groceries: get the kids bundled up — drive to the store, haul the kids out and put them in the cart — you are now pushing almost 70 lbs. of children — forget room for 1/4 the groceries you need — turn around and go home — babies wet, dirty, hungry — toddlers want to run beside cart — cry, touch everything and run away. The logistics of grocery shopping are staggering.*
>
> *D.S.*
> *Calgary, Alberta*

> *My children are now 2 and 4 years old, and once a week (in the morning), they go to a drop-in day care centre, the one in Pavillon St. Arnand in Trois-Rivières. This gives me the opportunity to shop for groceries at a liesurely pace or go to the doctor.*
>
> *Louise Dessureault*
> *Trois-Rivières, Quebec*
> *(translation from French)*

A need for child care services arises in other circumstances as well: while a homemaker is recuperating from an illness, caring for a severely ill family member, taking a course, keeping medical or dental appointments, participating in voluntary activities, or simply taking a period of free time.

> *There was a third situation when I needed child care but had to make do with various makeshift solutions. This was when I had two children, aged 4 years and 15 months and I was ill for a period of six to eight weeks and convalescing for a further three or four months. Then I would have benefited from a short-term, full-time arrangement.*
>
> *Christine Degroot*
> *Toronto, Ontario*

> *I needed day care services during my second pregnancy. The doctor told me to rest, that is, not to do anything other than wait for the baby to come. My first child was only 15 months old. I had to have him looked after for two months at $65.00 a week.*
>
> *Marie-Thérèse Tecchio*
> *Ancienne-Lorette, Quebec*
> *(translation from French)*

Child care is a 24-hour-a-day job. The need of homemaker-parents, and indeed, all parents, for leisure time away from child-rearing responsibilities is not adequately appreciated in our society. For some families, particularly single parents and those with low incomes, cost can be an inhibiting factor, since subsidized services are not available for this type of care.

> *I am a mother at home full-time. Child care needs for at-home mothers are varied but I wish there were more facilities for drop-in care or babysitting services. Even at home mothers need times to go to appointments or to pursue a hobby or develop a skill that would be more productive and satisfying without the needs and demands of a small child interrupting.*
>
> *Name Withheld*
> *Labrador, Newfoundland*

### Care While Parents Volunteer, Play or Rest

Care for children while parents participate in community activities or meet family and personal obligations falls outside traditional definitions of child care needs. However, this type of care is also needed as parents attempt to define some aspect of their lives outside parent-worker roles. Indeed, a lifestyle that incorporates social and community activities in addition to work and family life is considered important in maintaining good mental and physical health.

In the survey conducted for the Task Force, 53 per cent of the mothers reported that they spend some time each week in at least one leisure-time activity. These activities included volunteer work (hospital auxiliary, charitable organizations, child care centres, etc.); sports and recreation activities (personal fitness, curling, bowling, etc.); church-related activities (teaching Sunday School, participating in the choir, etc.); political involvement; and child-related activities (Brownie leader, coaching a basketball team, etc.).

While some of these activities occurred during day-time working hours, the majority (87%) took place in the evening or on week-ends. Mothers who were employed were as likely to be involved in one or more of these activities as mothers who were full-time homemakers. Usually child care is not provided, and parents must arrange for the care of their children. Care is usually provided in the child's home by a spouse, neighbour or paid sitter. The survey found that the more involved a parent was in such activities, the more likely she was to employ a paid sitter.

Parents also participate in social activities: going to a movie, spending an evening out or going to a party. Relatives, neighbours and paid sitters have always been relied upon to provide care while parents participate in these activities. Very often a neighbourhood teenager provides evening babysitting. Concern about the quality of these evening arrangements was voiced by several respondents to the team conducting the survey for the Task Force.

Very little Canadian data have been compiled on abuse of children by babysitters, but one U.S. study indicated that, of the adolescent babysitters in the survey, "46.5 per cent got very angry at the children while babysitting; 33.3 per cent spanked them; 13.3 per cent called for help; 8.3 per cent had an attack of fear or panic; 7.7 per cent struck them; and 7.7 per cent got frustrated and cried."[3] Since emotional immaturity is known to be a characteristic of an abusing parent, we cannot ignore the potential for abuse of children left in the care of immature adolescents who may have their own problems. This is not to say that all teenaged babysitters are abusive, but to emphasize that those who design child care programs should build in screening and training facilities for these occasional sitters so that parents are able to select sitters on the basis of capability rather than merely availability.

### Child Care While Parents Look for Work

Unemployed parents who are looking for work have special child care needs. They require care for their children on an occasional, drop-in or part-time basis, both to fulfil the eligibility requirements for Unemployment Insurance benefits, and to ease the stress and anxiety associated with unemployment and reduced income. People looking for work must be freed of the daily anxieties of looking for good child care, so that they can spend their creative energies on their job search activities.

Unfortunately, few facilities exist to meet the needs of unemployed parents. As indicated in Chapter 3, there are only two known services: the Unemployment Working Centre in London, Ontario, which provides free drop-in care for parents attending job interviews and looking for work, and Project Alternative Child Care (PACE) in Edmonton, Alberta providing 16 free spaces for children of unemployed parents.

## Child Care and the Developmental Needs of Children

All children have needs that, if responded to in a timely and appropriate manner, will allow them to grow up to be healthy, well-adjusted adults. Developmental needs can be broken down into two broad categories: physical needs and psycho-social needs.

While these needs are met primarily by the family, quality child care can play an important role in supplementing the care provided by parents. In discussing the needs of children, we wish to stress the importance of quality child care services — that is, services that meet the developmental needs of children — as opposed to care that is merely custodial, or indeed, negligent or abusive.

### Physical Needs

Physical needs represent those elements necessary to promote healthy growth and development. These can be classified as:

(1) *Food and Nutrition*: A nutritious diet balanced with the necessary elements to stimulate growth and to promote health is a basic necessity for all children, especially for the very young. Failure to meet this need can result in malnutrition, illness, and retarded physical and intellectual growth. While the effects of malnutrition are reversible when experienced by adults, the damage is permanent in children. Researchers have found that the earlier the malnutrition takes place, the more severe and permanent are the effects.

A good child care environment provides meals and snacks that meet the nutritional requirements of children, as recommended by the Canada Food Guide. A good caring environment can also complement the home environment by serving as a nutritional and dietary model. Sound nutrition offered in a good child care arrangement has particular significance for children living in poverty.

(2) *Health and Medical Care*: Access to medical care aimed at protecting and promoting health and the prevention and treatment of disease is also essential to the physical development of children. The consequences of not meeting this need are: disease and epidemics, retarded mental and physical growth, illness, and suffering. It is important in the child care environment that every effort be made to ensure that staff and children have access to medical care, treatment for illness, regular immunization, and health monitoring.

(3) *Physical Environment*: A safe environment in which to play, eat, and sleep; safe water and air; and adequate supervision are all important for a child's development. An inadequate physical environment can retard the development of children's physical, mental and social capabilities. Unsafe products, toys, water and air, and lack of supervision can result in accidents, injury or death. Given the extreme shortage of licensed and monitored child care services in Canada today, it is questionable whether some of the environments in which children receive care are adequate to meet their needs. Even some licensed child care centres operate in facilities that are far from ideal.

***It's not her fault that she is in a single parent family. Why does my kid always get the basement? And all the other kids like her?***

*Lynne Sharman*
*Hamilton, Ontario*

## Psycho-Social Needs

Psycho-social needs comprise those elements necessary to provide social, emotional and intellectual growth. These needs we have grouped under five main headings: love, compassion and understanding; the need for security; the need to be challenged by new experiences; the need for freedom within structure; and the need for praise and recognition.

(1) *Love, Compassion and Understanding*: Development of the capacity to be sensitive and responsive to the needs of others has its genesis in early life. A child who is wanted, accepted and valued for his/her own sake can develop a positive relationship with parents or substitutes, and in doing so, develop a positive image of him/herself. Children learn to love by first receiving love, compassion and understanding. In the early stages of development, children give little and receive a lot, because they are totally dependent on parents or substitutes. Gradually they learn to give, for example, by smiling. Later in life, the child learns to develop friendships and peer relationships.

Nurturers must be cognizant of child development, and ensure through their attitudes and behaviour as they care for children that children's needs are understood and respected. Failure to meet the need for love, compassion and understanding can result in anger, hatred, lack of concern for others and inability to develop healthy personal relationships. This is outwardly expressed in acts of violence and delinquency.

(2) *Security*: Consistent and dependable attitudes, behaviour, and discipline, and a familiar place and routine provide security for young children. All children, especially the very young, are dependent on their caregivers. If caregivers are not stable and consistent, children will become anxious and unable to cope with their environment. Opportunities for learning will be missed. The maternal deprivation syndrome, first identified among children reared in orphanages during the Second World War, has now been well documented in the psychological literature. Child care programs must ensure that the security needs of children are met by staffing programs with appropriate numbers of consistent, caring adults who can understand and are responsive to children. This does not mean that caregivers usurp the role of the parents in providing emotional security; parents of children in child care arrangements always remain the primary source of a child's emotional security. However, high rates of staff turnover in some centres and frequent changes in child care arrangements experienced by many children give rise to concern about the adequacy of care offered in Canada today.

(3) *Challenging Experiences*: New experiences are necessary for mental and intellectual growth in the same way that nutrition is a prerequisite of physical growth. From birth onwards, the child needs to be challenged by tasks appropriate to each particular stage of development; mastery of these tasks is the stepping-stone to further achievement. The child needs to explore the world and to learn patterns of coping, whether in the external world or in the subjective internal world of thought, feeling and

emotion. This need can be met through play and participation in planned programs with increasing levels of complexity.

Learning should be structured to enable the child to develop initiative, self-reliance and competence, along with such social skills as responsibility, cooperation and consideration for others. Failure to provide such a learning environment can result in retarded intellectual development and failure to achieve one's full potential.

(4) *Freedom Within Structure*: Children have a strong sense of curiosity, which they are motivated to satisfy. They possess capacities to explore, to probe and to manipulate in every possible way. Child care programming should be designed to allow the child ample opportunity to observe, to ask questions, to experiment and to search out answers to problems of increasing complexity. It is, however, necessary that this exploration be done within a safe, secure and stable environment. Programs should be designed so that children can make choices. Opportunities for discovery should be planned so that children engage in them at their own pace and in their own individual styles; they should be able to confront real problems and work out real solutions within the program. Appropriate response to this need enhances intellectual and social development, while failure to provide freedom within structure negatively affects these components of development.

(5) *Praise and Recognition*: If a helpless and dependent baby is to become a self-sufficient, independent adult, she must undergo considerable emotional, social and intellectual learning. However, because learning entails failure, conflict and difficulties, a strong incentive is necessary to persuade children to learn. Praise and recognition of effort and achievement provide this incentive. Encouragement and a reasonable level of expectation will spur a child to persevere in her efforts. If expectations are too high, the child might feel that she cannot live up to them and may give up; if expectations are too low, her level of effort and achievement will not match her potential.

Eventually, the child learns that a job well done is its own reward, but in the process of growing up, children's self-concepts are developed and nurtured by the views others hold of them. Failure to recognize and praise effort can be destructive to self-respect; it can undermine a child's confidence in tackling new situations, tasks and relationships. We find many such people living in a dependency position as adults, lacking the capacity to strive for independence because of the fear of failure. Those caring for young children must be cognizant of the need for praise and recognition and ensure that it is met. Here, training of caregivers is vital.

## Needs and Developmental Stages

As children grow, their needs and capacities change; and at every stage of development, certain basic needs may assume greater or lesser importance. Infants, for example, are totally dependent on their caregivers for physical care (bathing, feeding, toileting) and for meeting their psycho-social needs. These children need warm responsive adults who are consistent in their behaviour. In the preschool years — three to five — cognitive skills, social learning and peer relationships begin to assume greater importance. School-aged children have needs for communication, peer relationships, vigorous physical activity, a place where they can feel a sense of belonging, and where the type of programming responds to their need for activity, yet is less structured than their school hours.

Child care can be a valuable supplement to the home environment. It can bring adults and children together in activities that provide fun and improve the quality of life for children. To achieve these ends, however, child care programming must appropriately meet the needs of children at each stage of their development. For children of school age, coordination of child care and school activities is important to ensure both access to and complementary design of programs.

> *Day care has provided my daughter with companionship. I live in an apartment building with no children. She needs to socialize with other children her age. I think day care is one step forward to learning how to make it in this world today. Let's face it it's tough out there. Day care has also toilet trained my daughter where I had failed. It may sound insignificant to you but it means a lot to me.*
>
> *Catherine Riopelle*
> *Ottawa, Ontario*

> *Since starting school, my son, who is now 9, has been involved in an after-school program near his school and that has been a real blessing for us both. It is a very homey atmosphere and he enjoys it. I also have the reassurance that he is well taken care of as I must work. The only real problem, and it is a big one, is in the summer time. The program he is in during the school year ends with the end of school. It has always been a real struggle to find a program for him.*
>
> *Each year I start searching for summer time activities about March. Last year for some reason the Recreation Centre in Wolfville did not get much money for their programs and therefore there was only an afternoon program that children could enter. That made it hard on me and a number of people that I know — both single parent families and families where both parents work.*
>
> *Lynne Goodwin*
> *Wolfville, Nova Scotia*

## Special Needs

Research studies commissioned by the Task Force as well as numerous briefs and letters submitted by parents and interested groups articulated the need for child care to be available to a broader range of children. The lack of quality child care services can have significant negative effects on all children. However, some groups have special needs for child care which, when not met, can detrimentally affect their development and adjustment. These groups include: native children, disabled or handicapped children, children of ethnic minorities, immigrant children, and children in need of protection.

### Native Children

While native children have the same basic needs for child care as all other children — a safe, stimulating, caring environment — they also have special child care needs. Children living on reserves with parents of limited resources can benefit from good child care programs that offer creative indoor and outdoor play, nutritious meals, and facilities for medical and dental care. Many Indian bands consider such programs important for transmittal of their language and culture.

Native families who are not on reserves need good child care, to allow parents to seek and maintain gainful employment, and to facilitate cultural adjustment to the non-native environment, at the same time providing the opportunity for them to preserve and maintain their language and cultural traditions. The Odawa Native Friendship Centre, in a submission to the Task Force, stressed the importance of establishing native child care centres for the purposes of language and cultural preservation in cities with sufficient native population.[4]

> *This type of atmosphere would definitely suit the needs of our children. It would give them the reserve type togetherness, without the reserve type depression.*
>
> *Odawa Native Friendship Centre*
> *Ottawa, Ontario*

### Handicapped and Disabled Children

Many Canadian children have special needs for child care because of disabling and handicapping conditions. Their special needs include:

(1) *Early detection and treatment*: Screening services are generally in short supply and are unevenly distributed across the country. Many disabling conditions have had a more positive prognosis when they are detected and treated early.

(2) *Trained and Qualified Personnel*: Trained and qualified personnel are essential to all facets of the care of disabled children, including integration into child care centres and facilities for the non-handicapped.

(3) *Support to Parents of Disabled Children*: Parents need information and home-based training to help them to respond to the child's needs, and to maintain family equilibrium. Most disabled children require regular screening and assessment, medication, special diet and clothing, remedial therapy, special equipment, and child care services for parental relief. Financial assistance to cover some of the costs is available under present programs, but costs such as transportation, accommodation and special clothing may not be covered. Above all, parents have a great need for periodic relief from the enormous personal responsibilities of caring for these children. Provision of the necessary support services may mean the difference between a child remaining at home or being placed in an institution.

(4) *Transportation*: This is a pressing need for many disabled children. Arranging transportation for children to attend programs outside the home can be an expensive and time-consuming venture for parents.

(5) *Adaptation of Physical Facilities*: Access by disabled children to child care facilities often requires removal of physical barriers and introduction of new equipment. Increased funding for renovation, design, and development of appropriate environments is urgently required.

(6) *A Continuum of Service*: To meet the needs of disabled children as they progress from neo-natal care through to school-age programs, a continuum of service is required. Programs should be coordinated to facilitate the ease of transition from one program to the other.

One well-known international authority on rehabilitation indicated that "children with physical, mental and sensory impairments are very often denied the fundamental care and stimulation that all children need for their growth and development."[5] In a brief to the Task Force, the Canadian Rehabilitation Council for the Disabled expressed great regret that a country as prosperous as Canada fails to provide essential child care services for disabled children. These sentiments were echoed by professional associations, community groups, and by parents across the country. Even the best parents of disabled children need some form of support; a child care system could provide this support.

> *I feel that these services helped us to survive our first years with a special needs child. Our son lives at home still and attends a local school in a special class. I wonder if we had not had that extra help when we needed it, if we would have had enough patience to get us this far with this degree of success.*
>
> *Lorraine Oliver*
> *Lake Cowichan, B.C.*

> *A hearing impaired child requires even more time, patience, listening, talking than a "normal" child. The skills she learned at day care have carried through to school where she is doing exceptionally well.*
>
> *J.L. Altena*
> *Red Deer, Alberta*

> *There is a desperate need for child care for handicapped kids and the reason you don't hear from more parents is because their lives are too busy and hard enough without starting what we feel would be a losing battle with the government. My daughter died in March and our home life is better than it ever was; I have time to be a wife and a mother to my other children. I wish someone would explain why my little girl had to die for us to have some kind of a normal life.*
>
> *Wendy Love Martin*
> *Wallaceburg, Ontario*

Child care centres, family child care providers, parents, professionals, and governments all have a role to play in meeting the needs of disabled children. Child care centres need to adopt a philosophy and policy of integration and make efforts to secure financial and professional support to transform their policies into workable programs. Family child care providers need instruction, professional support, and special equipment to assist them to meet the challenge of caring for this group of children. Parents need extra financial assistance, well-balanced professional advice, training, and support networks. Professionals require sensitivity to the parents' role in the care of the child, access to resource information and complementary services that are well coordinated. Finally, governments that design and fund programs must be cognizant of the needs of the disabled and give priority to their special needs in the design of programs.

### Children of Immigrant Families and Ethnic Minorities

For recently arrived immigrants, affordable and accessible care is essential to enable both parents to seek employment for the family's economic survival. Far removed from their extended families and usual support systems, working immigrant parents have an acute need for quality child care services. Low wages and the high cost of child care make quality care for children of immigrant families inaccessible. Many families are denied access to subsidized care because of their lack of awareness that such assistance is available, their lack of familiarity with the system, or their lack of language facility.

Language poses a major problem for parents who do not speak or read one of the official languages. Most child care programs and related documentation are provided only in English or French and very rarely are interpreters available. Parents who cannot understand the instructions given by providers are prevented from fully participating in activities of a child care centre, and are limited in their access to, and their choice of, child care services.

In addition to being a necessity for working immigrant parents, quality child care can play a crucial role in aiding children to better adjust to Canadian society and in preparing them for school, while reinforcing ethnic identity and cultural ties. Integrated and culturally sensitive child care programs are also enriching for children from dominant ethnic groups.

For immigrant children, who need to develop language facility prior to school entry, the child care environment is an ideal place for this to happen. Even if they are familiar with one of the official languages, the child care experience can be useful in familiarizing them with Canadian expressions, word connotations, values, holidays and customs.

Good child care can be important for preschool children of immigrant families even if one parent is at home. Many immigrant parents who are themselves trying to cope with a new culture may not be able to provide their children with the language and cultural ingredients necessary for adjustment to school. Child care that is sensitive to the cultural needs of immigrant children can provide this preparation. Unfortunately, too few opportunities for such care exist within the present system.

Culturally sensitive child care programs are not only a necessity for immigrant children, but are essential also for children of ethnic minorities. "Ethnic identity is an integral part of the child's self-concept; to ignore or erase cultural ties can only lower the child's self-esteem. The teacher who is sensitive to the emotional needs of the children and who creates an environment where every child experiences security and a sense of belonging, is well on the way to ensure favourable self-concepts and best possible learning."[6] Children begin to develop attitudes in the preschool years, and they are very sensitive to the attitudes of adults around them. Biases of early childhood educators can have a significant impact on a child's self-concept. It is of utmost importance that caregivers, teachers, and child care providers be sensitive and responsive to the culture and values of immigrant and ethnic minority children.

Unfortunately, this appears to be a serious weakness of many Canadian child care programs. In a brief to the Task Force, the Children's Aid Society of Metropolitan Toronto emphasized the inadequacy of the present child care system to respond to the multicultural/multiracial and multilingual nature of many Canadian communities. They pointed out that many parents with whom they work feel "that the cultural/racial/linguistic identity of their children is submerged in the current day care system."[7] One Canadian expert on the subject concluded that the current system of child care is not always culturally sensitive to the needs of immigrant and ethnic minority children. She notes: "Most early childhood materials presume a common body of pre-school cultural experiences, including nursery rhymes, games, stories, foods, popular animals, knowledge of seasons, Canadian holiday celebrations, and even similar patterns of interaction with adults. Rarely does a teacher stop to reflect on how culturally biased are our expectations for the classroom behaviour and abilities of even a very young child."[8] Alerting caregivers to the cultural needs of immigrants and ethnic minority children would not only enhance the adjustment of immigrant families to Canadian society, but would represent a healthy beginning for rearing children to live in a multi-cultural society and a multi-cultural world.

### Children in Need of Protection

> *I think that child care is just as much a social service as education and health care, and that, like them, it should be free and of good quality. This is the only way we will reduce the number of neglected children in our society.*
>
> *Marlène Valcin*
> *Montreal, Quebec*
> *(translation from French)*

While most parents can and do take good care of their children, some children are at risk of abuse, neglect and abandonment by their own families. Some of these children do come to the attention of the child welfare system, but often this happens after considerable damage has been done. Since child abuse is a social condition that repeats itself from one generation to another, every effort should be made to break the cycle. A good place to start is in early childhood.

The risk of very serious abuse and neglect is greatest for very young children who are most dependent on their parents and guardians and are less likely to understand that the parental behaviour they are experiencing is abnormal. A recent Canadian study of 98 deaths from child abuse found that more than half the deaths occurred before the children reached 12 months of age, and an additional 25 per cent died before the age of two years.[9] Only five per cent of the victims were five years of age or older. The author concluded that if high-risk children could be identified and protected up to age four, this could considerably reduce the risk of death due to child abuse. Most of the abuse (64%) was committed by natural parents, or common law partners (25%). Babysitters were responsible for nine per cent of deaths in the study.

A system of child care aimed at providing quality care to all children would be the ideal primary prevention mechanism to provide early detection and treatment. Such a system would prevent trauma and suffering on the part of thousands of Canadian children and would be less costly for governments than are remedial measures. Good child care could also provide parental training and support services for families at risk, while providing positive role models for their children.

## THE PREFERENCES OF PARENTS

The responses of parents in the cross-Canada survey carried out for the Task Force and the responses of parents in previous surveys limited to individual Canadian cities confirm that selecting a child care arrangement is a complex decision-making process involving numerous variables.[10] Parents choosing child care consider the age, number and health of their children; the availability and cost of different types of care in their neighbourhood or work area; the suitability and availability of various work schedules (full-time, part-time); and the level of family income. Underlying the task of juggling a multitude of evaluative criteria is the recognition by parents that quality care can make an enormous difference both to their children and to their own lives, and that finding such care is an elusive task.

### How Parents Judge: Evaluating Care Arrangements

When parents are faced with a limited number of child care options and few clear indicators of the quality of a particular service, how do they go about evaluating care for their children? What criteria do they use when expressing a preference? Data from several surveys provide some answers to these questions.

The survey carried out for the Task Force sought parents' views on a wide range of evaluative criteria affecting their assessment of a caregiver or program. The following table portrays parents' ratings of certain evaluative criteria.

Factors such as reliability and flexibility; consistent, nurturing, individual attention for the child; outdoor play space; and nutritious meals were among the qualities rated as very important by parents in this survey. Two dimensions considered to be of lesser importance were: the formal training caregivers had in early childhood education and similarity in income level between a potential caregiver and the respondent. With the exception of the low importance assigned to caregiver training, these parental ratings correspond closely to the components of good care, which we will discuss in Chapter 6.

## TABLE 4.3

## Parents' Views of the Importance of Specific Evaluative Criteria When Selecting a Child Care Arrangement

| Criterion | Mean Rating |
|---|---|
| 1. The caregiver/arrangement would be reliable and available every day. | 3.8 |
| 2. The amount of affection and attention shown your child would be similar to that shown at home. | 3.7 |
| 3. The way in which the caregiver would discipline your child would be similar to the way you discipline him/her at home. | 3.6 |
| 4. The child care arrangement would have good outdoor play space. | 3.6 |
| 5. The caregiver would encourage your child's curiosity and creativity. | 3.6 |
| 6. Hot, well-prepared nutritious meals (or snacks for older children) would be provided. | 3.5 |
| 7. The caregiver or centre would be flexible in order to accommodate changes in your schedule or needs. | 3.4 |
| 8. Other children your child's age would be available for your child to play with. | 3.4 |
| 9. The caregiver or centre would be located in your immediate neighbourhood. | 3.2 |
| 10. The child care arrangement would offer things to do which would help him/her develop better coordination. | 3.2 |
| 11. The caregiver or centre would offer your child a great deal of individual attention. | 3.2 |
| 12. The caregiver or centre would help your child learn to speak better. | 3.1 |
| 13. The caregiver or centre could care for your child even if your child is sick. | 3.1 |
| 14. The child care arrangement would offer experiences that are new or different from those at home. | 3.0 |
| 15. The child care arrangement would have a regular routine which is the same every day. | 2.9 |
| 16. The caregiver or centre would help prepare your child for school by teaching numbers, letters, etc. | 2.9 |
| 17. The caregiver had a university or college degree in early childhood education or child care. | 2.3 |
| 18. The income level of the person caring for your child would be similar to your own. | 1.7 |
| IF SELECTING A DAY CARE CENTRE OR PRESCHOOL: | |
| 1. The centre would be licensed by the provincial government. | 3.4 |
| 2. As a parent, you would have strong input into decisions made about the program, staff, and other issues that are important to you. | 3.3 |
| IF SELECTING AN INDIVIDUAL CAREGIVER: | |
| 1. The caregiver would be someone you and your child have known for a while. | 3.3 |
| 2. The caregiver would provide receipts for child care payments. | 2.7 |
| 3. The caregiver would be licensed or registered with the province or a local day care agency. | 2.3 |

Criteria were rated as follows:
1 Not important; 2 Not too important, but does matter; 3 Important, but not critical; or 4 Very important, essential.

**Source:** Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns about Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E.

The survey noted some discrepancy between the finding on training and the fact that parents rated creative stimulation, motor coordination, as well as language and cognitive development as quite important. In her report, the researcher indicated that this anomaly could result from several factors: a lack of appreciation of the content of training programs, skepticism about the value of a diploma or degree, and a certain defensiveness on the part of parents using informal care arrangements.[11]

Earlier studies also suggested that parents are very cognizant of the characteristics of quality child care. In a 1977 study in Metro Toronto, respondents were asked to rank in order of importance five qualities of child care. In descending order of importance, the parents indicated that they wanted the arrangement to provide assurance of: an affectionate, loving environment; health and safety; intellectual stimulation; development of social skills; and dependability of service. The authors concluded that the results indicated that parents were "more concerned with the quality of care received by their children than with their own convenience."[12]

The findings of a 1981 study in Kitchener, Ontario, were slightly different. Here, reliability of care was rated by parents as the most critical feature in making the choice of child care arrangements. Parents wanted care that would minimize the amount of time they would have to take off work and that would preclude the necessity of making last-minute, makeshift, anxiety-producing arrangements. These parents suggested, however, that reliability in a caregiver was an indication of greater interest in their child and of higher-quality care. Other dimensions of quality care considered important by parents in that study were: good physical care, adequate opportunities for outdoor play, opportunities for contact with peers, and similarity in discipline practices between caregiver and parents.[13]

The Kitchener study identified several differences in priorities between users of unlicensed family home child care and parents who used licensed centre care. For example, users of family home child care and informal care tended to rate the amount of individual attention and affection given to their child as more important than the level of stimulation provided, while the opposite was true of centre users. While all groups ranked the caregiver's formal training as less important than other dimensions, centre care users rated a university or college degree in early childhood education or child care as significantly more important.[14]

In a 1984 study in Winnipeg, the users of child care arrangements were asked what type of care they preferred for certain age groups, and their reasons for these preferences. They were also asked to rate the quality of each care arrangement used in the previous week. Those who had used more than one arrangement within the last year were asked to rate the arrangements in terms of the best and the worst quality of care and to give the reasons for their ratings.

The Winnipeg study identified two general dimensions by which parents judge the quality of a care option. The first reveals differing beliefs about what is the appropriate style and content of child care. Parents who preferred close individual attention in a home-like atmosphere chose sitters and family home child care, while parents who preferred activities geared to cognitive and social development chose centre care. The second dimension pertained to the parent's assessment of the caregiver's competency. Those preferring sitter care emphasized the importance of knowing and trusting the caregiver. Those preferring licensed family home child care emphasized government involvement. Finally, those preferring centres emphasized staff training.[15]

On the issues of training and licencing, the author of the Winnipeg survey observed that parents preferring these aspects believed that they represent an assurance of quality care for their children. Both seemed to give the parents some feeling that they were not alone in their efforts to monitor quality of care. These factors provided a substitute for personal knowledge about the caregiver and helped reduce parental uncertainty about the nature of the care.

The preceding discussion indicates that parents use many criteria to assist them in selecting a child care arrangement. While their final decision may be based on a variety of personal variables (family income, work status, number of children, etc.), the studies reveal that parents are aware of and try to apply to the selection process many of the measures of quality identified by specialists or professionals in child development. The findings that relate to licensing and caregiver training are of particular interest and will be discussed subsequently, in greater detail.

## What Care Do Parents Prefer?

In the preceding section, we saw that parents do try to select suitable care for their children. However, not all parents rank the criteria of good care in the same order of importance. Parental preferences for particular forms of child care and selection of care arrangements are inextricably linked to other factors in their own lives and do not necessarily coincide with measures of quality as defined by child care experts.[16] In addition to concerns as to quality, parents' preferences and selection of care arrangements are influenced by such factors as: family income; number of hours for which care is required; age, number and health of their children; and availability and cost of various options.

In order to ascertain the *ideal preferred arrangement* for each respondent, the Task Force survey examined several factors: stated preference; reasons for not considering other forms of care; reasons for wanting to change care arrangements; preferred employment status; and other factors specified by the respondents. The survey found significant differences according to current employment status of the mother and to urban/rural location, as Table 4.4 shows. These two factors — mother's work status and geographic location — along with other factors such as child's age, and family ethnicity will be discussed in the following sections. The following table summarizes findings from the Task Force survey.

In the Task Force survey, respondents using some type of non-maternal care were asked whether they had seriously considered any other forms of child care at the time they began their current arrangement. More than 40 per cent indicated that they had considered other options. The reasons they gave for not choosing the other alternatives they initially considered were: cost, availability, convenience, reliability, concern about the quality of care and about their child's individual needs.

When parents cannot use care provided by a spouse or a relative, they usually must choose between unsupervised care by a non-relative, or licensed care, most often in a group program at a centre. The Task Force survey compared the reasons given by parents for not using care provided

## TABLE 4.4

## Preferred Main Child Care Arrangement by Mother's Current Work Status, Child's Age and Urban/Rural Residence

| | Infants (under 2) | | Preschoolers (2 to 5) | | School-aged (6 to 12) | |
|---|---|---|---|---|---|---|
| | Urban % | *Rural* % | Urban % | *Rural* % | Urban % | *Rural* % |
| **Mothers Employed Full-Time** | | | | | | |
| Parent(s) | 3.3 | *21.4* | 17.6 | *36.8* | 10.3 | *20.8* |
| Relative | 11.1 | *21.4* | 8.8 | *5.3* | 12.8 | *8.3* |
| In-home Non-relative | 22.2 | *7,.1* | 8.8 | *26.3* | 7.7 | *12.5* |
| Other home Non-relative | 18.5 | *7.1* | 5.9 | *15.8* | 2.6 | — |
| Centre[a] | 40.7 | *42.9* | 53.0 | *15.8* | 48.7 | *41.6* |
| Other[b] | 3.7 | — | 5.9 | — | 15.4 | *12.5* |
| Sibling or Alone | — | — | — | — | 2.6 | *4.2* |
| **Mother Employed Part-Time** | | | | | | |
| Parent(s) | 18.8 | *46.7* | 11.1 | *33.3* | 20.0 | *80.0* |
| Relative | 6.3 | *6.7* | 11.1 | *6.7* | — | — |
| In-home Non-relative | 31.3 | *13.3* | 11.1 | *6.7* | 20.0 | — |
| Other home Non-relative | — | *20.0* | 22.2 | *13.3* | 6.7 | — |
| Centre[a] | 37.6 | *13.3* | 44.4 | *40.0* | 26.7 | — |
| Other[b] | 6.3 | — | — | — | 26.7 | — |
| Sibling or Alone | — | — | — | — | — | *20.0* |
| **Homemakers[c]** | | | | | | |
| Parent(s) | 64.7 | *81.8* | 33.3 | *33.3* | 58.3 | *80.0* |
| Relative | — | — | 11.1 | *11.1* | 8.3 | *10.0* |
| In-home Non-relative | 11.8 | — | — | *11.1* | 16.7 | — |
| Other home Non-relative | — | — | — | *11.1* | — | — |
| Centre[a] | 17.6 | *18.2* | 55.9 | *33.3* | 16.7 | — |
| Other[b] | 5.9 | — | — | — | — | — |
| Sibling or Alone | — | — | — | — | — | *10.0* |

**Source:** Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns about Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E.

**Notes:** [a] may include child care centre, workplace child care centre, nursery school, kindergarten and before- and after-school programs.

[b] includes occasional care and/or organized recreational activities.

[c] Includes mothers looking for work.

We have not aggregated the data from urban and rural respondents, since the patterns of preferences were generally different between these two groups and the proportion of rural respondents in this sample (43%) greatly exceeds their proportion in the general population.

by a non-relative versus care provided in a licensed group program. For all three age group of children, the most often-cited reason for not using unlicensed non-relative care was concern about the quality of the care provided. Some 42 per cent of parents with infants, 50 per cent of those with preschoolers, and 39 per cent of those with school-aged children stated this reason for not using unlicensed care arrangements. Approximately 40 per cent of those parents who considered licensed group care for an infant didn't use it because they felt their child was too young. In the preschool group, 52 per cent of parents didn't use group care because of the cost — it was too expensive or they could not get a subsidy.[17]

## Work Status: Full-Time, Part-Time, Homemaker, Unemployed

The Task Force survey divided families into three groups according to the working status of the mother: employed full-time, employed part-time, and homemaker or unemployed.[18] In exploring preferences, this survey attempted to assess what services, practices, and forms of assistance would meet the parents' needs, at the same time supporting their children's development. The findings revealed some significant differences as well as similarities in preferences.

Perhaps the most significant finding was a marked preference for licensed care among full-time working mothers. Child care centres (including workplace child care), nursery schools, and before- and after-school programs were preferred by 42 per cent of full-time-working mothers with infants; by 40 per cent of those with preschool children; and by 46 per cent with school-aged children.

Part-time working mothers preferred parental care for infants and school-aged children (32% and 44%, respectively), but for children aged 2 to 5 years, they preferred centre/nursery school care (42%).

Women who were homemakers or who were looking for work showed a strong preference for parental care for infants (71%) and for school-aged children outside of school hours (68%). However, for children aged 2 to 5 years, 48 per cent of the mothers stated a preference for some form of licensed care (nursery school, child care centre, after-school program).

Full- and part-time working mothers who reported that workplace care was not available to them were asked if they would use child care at the workplace if it were available, of good quality, and not too costly. The respondents were fairly evenly divided, with 41 per cent saying that they definitely or probably would use such care, and 31 per cent saying probably not or definitely not.

In the 1983 study in Montreal, 90 per cent of the respondents favoured the establishment of child care centres to care for children while the parents pursued professional and other activities.[19] There was a slight difference of opinion between parents with different work status. Almost 92 per cent of the respondents who worked full-time and 97 per cent of those working part-time were in agreement that child care centres were necessary to enable parents to carry out their activities, compared to 85 per cent of homemakers. More homemakers (15%) were concerned about the quality of care their children would receive in child care centres.[20] In a related finding, the author determined that those employed part-time had the most difficulty finding and keeping a regular caregiver.[21]

## Geographic Location: Preferences of Urban and Rural Families

Few studies in Canada have explored the child care situation outside urban centres. The survey conducted for the Task Force included a large number of rural families in its sample. For the purposes of this study, a rural area was defined as an area with a population of less than 15 000 people, at least one hour away by car from a city with population of more than 30 000.[22]

A significant proportion of homemakers showed a marked preference for parental care for infants and school-aged children outside school hours. As indicated in Table 4.4, 65 per cent of homemakers in urban areas and 82 per cent of those in rural settings preferred parental care for infants; 58 per cent of urban and 80 per cent of rural parents preferred this type of care for school-aged children. On the other hand, group care was the care arrangement preferred by 56 per cent of urban homemakers and 33 per cent of homemakers in rural areas for preschool-aged children.

Both urban and rural mothers who worked full-time indicated a marked preference for licensed care for all ages of children needing care. Among part-time working mothers, urban women also indicated a preference for centre/nursery school care (38%) for children under two, and more than 40 per cent of both urban and rural part-time working mothers preferred nursery school/centre care for preschool-aged children.

Care by either parent was preferred by the largest proportion of rural respondents overall. The survey further noted that a significant proportion of rural mothers preferred to work at home. Indeed, many of them regularly performed such chores as caring for animals, bookkeeping, and selling farm produce, acting as essential, if unpaid, partners in agricultural enterprises. The study also pointed out that in farm families, the father worked at or near the home and was often available for child care.

For children under six years, child care centres were used by 23 per cent of urban families using some type of regular non-maternal care, compared to less than 15 per cent of their rural counterparts. When these findings are matched with preferred care arrangements, they suggest that a large proportion of both urban and rural families were not using preferred arrangements. All families using workplace child care centres lived in urban areas. Enrolment in nursery schools and kindergartens was more common in urban areas (16.8% versus 12.2%). Care by relatives as a main type of non-maternal care was similar across urban and rural locations (13.6% urban compared to 14.9% rural).[23]

## Child's Age

The Task Force survey found a marked preference on the part of mothers working full-time for care in a child care centre for their children of all ages, even those under two years of age. Both urban (41%) and rural (43%) women working full-time favoured centre care for infants.

Other studies in Canada have tried to assess the relationship of a child's age to expressed parental preferences. The Metro Toronto study found that age of the child is an important factor in determining parental preference for care. For a one-year-old child, 70 per cent of the parents in this study preferred home care; for a three-year-old, the reverse was true, with 80 per cent preferring centre care. For a five-year-old, 83 per cent of parents preferred centre care. An open-ended question that probed reasons for parental preferences indicated that parents felt that a sitter in a home provided the opportunity for individual, loving attention, which they deemed important for infants.[24]

The Kitchener study also assessed whether the age of the child was a contributing factor in the choice of care arrangement. Overall, the mothers were evenly split in their answers, half saying yes and half saying no. When age was perceived to limit the alternatives, it was because the child was less than two years.[25]

In the Winnipeg study, respondents were asked which of three arrangements (sitter in her home, government-approved child care home, government-approved child care centre) they would prefer for children under three years of age, three-to-five years of age, and six-to-twelve years of age. For children under three, 37 per cent preferred a sitter; 33 per cent preferred a licensed centre; 21 per cent preferred a licensed home; and 9 per cent were uncertain as to their choice. When the findings are combined, 58 per cent selected a home-like setting with more individual attention, while 54 per cent chose licensed supervised care with qualified staff. Of those parents who had used some form of child care in the previous year, over 62 per cent favoured an arrangement that had been government-approved.[26]

For children aged three to five years, 59 per cent preferred a child care centre, 20 per cent preferred a sitter, and 15 per cent a licensed child care home, while 6 per cent were not sure. Of the parents who had used care recently, 68 per cent favoured a child care centre, 17 per cent a licensed child care home and only 7 per cent a sitter.[27] The strong preference for centre care reflects the respondents' perception that centre care offered certain benefits in terms of social interaction, cognitive learning, trained staff, and activities. For school-aged children, 53 per cent of respondents favoured sitter or licensed home care, with only 28 per cent favouring centre care and 20 per cent not sure.

The Montreal study reported that 79 per cent of parents preferred care in a family home for children under one year of age, with care in a child care centre more popular for children aged 3 to 4 years (49%).[28]

### Other Personal Factors Affecting Parental Preferences

As the earlier discussion of needs pointed out, parents and children have a wide variety of needs based on variables such as parents' work schedules, number of children in the family, ethnicity, child's disability, and previous experience with child care. Some studies have explored some of these factors and their relation to preferences.

The Task Force survey found that 33 per cent of the employed mothers in the survey worked variable shifts and thus required flexible care arrangements to accommodate their needs. Others felt that their children needed social stimulation and interaction with peers, leading some to seek combination care that included part-time group care. Parents also encountered special periods of need such as professional development days, school vacations, sick children, and periods when the regular care was unavailable, which created significant logistical problems. For many parents, these needs prompted a preference for a combination of care arrangements.

The Metro Toronto study examined the relation between family ethnicity, type of care used and the ideal type as expressed by respondents. The data showed that the dominant type of care used by Italian, Portuguese, Chinese and Greek families was care provided by relatives on a resident or non-resident basis. When asked for their ideal preference, the majority in the Italian (56%), West Indian (51%) and 'Other Ethnic' (67%) groups preferred centre care. Chinese families preferred sitter care, while Portuguese and Greek families were more evenly divided in their preferences across all types.[29]

The preceding discussion of factors outlines a number of personal variables that affect preferences. There are two other variables — licensing and training — that fall outside the strictly personal realm, but that have been observed to have a significant impact on parents' decisions. These will be discussed in greater detail in the next section.

## Parental Preference for Regulated Services

> *Private day care in a home setting is very questionable in some cases the care can be very good but in most cases this is not true. In a licensed day care setting the quality of care can be guaranteed by educational requirements, government guidelines and parental involvement with care providers. Peace of mind for a working family with children who need child care is worth its weight in gold.*
>
> *Lyn Brown*
> *Nipawin, Saskatchewan*

The findings on licensing provide valuable indicators for policy direction. The respondents in the Winnipeg study who indicated a preference for licensed family home care rated government inspection of the home as the third most important criterion, with the potential for more individual attention and the homey environment placing first and second respectively. The author of the Winnipeg study noted the important role of licensing in reducing parental uncertainty about the quality of care: "...where the parent does not personally know the caregiver, knowledge that the service is 'government-approved' or 'licensed' acts as the substitute for personal knowledge about the caregiver."[30] A majority of parents in the Winnipeg study preferred licensed child care options for both infants and preschoolers. Of those who were recent users of child care, approximately two-thirds preferred licensed alternatives.

When asked specifically about two criteria related to group care for preschoolers or school-aged children, parents in the Task Force survey indicated that they attach importance to a centre being licensed by the provincial government, and would prefer to have significant input into decisions made about the program, staff and other issues. On three criteria specific to licensed family home child care and/or informal, in-home care arrangements, parents felt it was important that the individual caregiver be someone known to them and to their children. Factors such as provision of receipts for child care payments or licensing of the home by the province or local day care agency were viewed to be of lesser importance.[31]

In the Metro Toronto study, when parents were asked to name their ideal child care arrangement, care in a child care centre was mentioned by almost half (49%) of respondents. Care provided by a sitter in her home, the next most frequent response, was chosen by only a third as many respondents (16%).[32] When compared with the mode of care actually used by parents in the study, it was noted that only about 10 per cent of the sampled parents had children in centre care.

The Kitchener study reached the conclusion that "a large proportion of parents of young children favour day care centre arrangements as a preferred form of care." The study used a scale of parents' general attitudes toward centre care in an attempt to collect something more direct and concrete than opinions about preferences and satisfaction. In the sample, more than half (57%) of the respondents indicated that centre care would be their first preference in a child care arrangement. Only 3 out of 99 respondents agreed with the statement, "I would never use a day care centre", while 83 per cent thought that "the government should sponsor many more day care centres than they do."[33]

When this study examined differences and similarities between various user groups (informal, family home child care, non-profit child care centre, private child care centre), the following findings emerged. Those respondents who used centre care endorsed it more strongly than non-centre users. Respondents not using centres felt that centre care was less convenient, and that it provided less individual attention for children. Non-centre users were also less likely to be impressed with the variety of learning experiences and less likely to feel that formal training was critical for child care. Among users of child care centres, there was considerable agreement that child care centres help children learn to live with routines and to develop good habits. Whether they used centre care or informal arrangements, approximately 30 per cent of parents agreed that nine-to-five, five days a week was too long for most children to spend in a group setting, and 50 per cent agreed that child care centres are too expensive for most families.[34]

The Montreal study also examined parents' views on the quality of licensed and unlicensed care and found that in the overall sample, there was no strong consensus of opinion. While 26 per cent thought that child care centres offered better-quality care, 24 per cent thought that a caregiver in a home provided better care, and 37 per cent thought they were of equal quality.[35] The most significant findings were related to two socio-demographic variables; single-parent respondents and those earning less than $15 000 were most favourably disposed toward child care centres. In addition, nearly three-quarters (73%) of respondents who used centre care considered that it offered the best quality of care, while only 30 per cent of those using unlicensed forms of care thought it was the best.[36]

Determining the type of care arrangement that the majority of parents prefer is not easy, for in fact, different families have different needs and, thus, different preferences. However, two findings do stand out as significant: first, a majority of parents indicate a preference for licensed care and, second, the work status of the mother appears to be a stronger determinant of preference than other variables such as location or child's age.

Parents' knowledge of licensed services appears to be limited to care in child care centres. Parents interviewed in the Task Force survey were generally unaware of other alternatives such as licensed family home child care. Both urban and rural full-time working mothers had a strong preference for licensed care for children of all ages. For them, the fact that they were out of contact with the child for many hours made them more aware of the need for quality care.

## How Closely Do Use Patterns Resemble Preferences?

> *In conclusion, I feel the needs for child care are dictated*, and are not *determined* by one's individual situation or by one's preferences as a parent. I think if you scout the day care centres you'll find little parental preference involved. It boils down to being able to afford day care or not.
>
> *I think there is little choice for the largest number of people needing day care.*
>
> *Elizabeth Cannon*
> *Morpeth, Ontario*

A significant gap exists between stated preferences and exhibited patterns of behaviour. The Task Force survey looked at the match between preferred and current child care arrangements. In general, less than half of the parents were found to be using their most preferred arrangement. The most notable exception was "families where a parent is home and using supplemental care on an occasional basis".[37] In these families the majority were providing the kind of care for their children that they thought best.

The survey authors also concluded that: "Centre care (including workplace child care) was being used by fewer than 40 per cent of the families with infants who preferred centre care, and by slightly more than half of those families with a preschool child who preferred centre care. After-school programs were being used by less than one-third of the families preferring that type of care."[38]

Similarly, preferences for various child care options are conditioned by availability, cost and the family's other budgetary priorities. If child care expenses are viewed as the woman's responsibility, she may be expected to pay the expenses from the discretionary part of her earnings, thus dictating selection of a less satisfactory option. We saw in the previous chapter that there were only 172 000 licensed child spaces in existence across Canada in 1984, sufficient to serve fewer than 9 per cent of children whose parents worked or studied 20 or more hours each week.

In a recent book on Canadian families, Margrit Eichler notes the absence of Canadian studies that examine spending patterns within families, and remarks on the unsubstantiated assumption implicit in much tax policy and child care literature that monies are distributed equitably among the individual members.[39] She discusses one of the few available sources of information on this subject, an Australian study that looked at spending patterns of fifty families with children under the age of sixteen.[40] The study distinguishes between managing (carrying out previously made decisions) and controlling (making the decisions concerning) family finances. While the majority of women in the study either managed or shared the management of family finances, the majority of men either controlled or shared control. While this study was small and directed to implications of tax changes in Australia, it has some relevance for discussions on the cost and family expenditure patterns for child care.

For the families surveyed, the source of the income and the person to whom it was paid were important factors in determining expenditure patterns. While women who earned their own incomes were likely to have more say in the spending of total family income than were women without earnings, nearly all husbands either had a joint say in financial decisions or overall control of finances. In all families but one, the husband's personal spending money (excluding gasoline and lunches) exceeded that of the wife. In lower-income families, women spent on themselves only after their families' needs were met and only when they were desperate. Family allowances were most commonly used by the women for children's clothing.

Parents who actually use the care that they prefer are in the minority. Parents at home, generally women, were found in the Task Force survey to be the group most likely to be providing the care that they thought best for their children. Full-time-working mothers, regardless of the age of their children or their geographical location, showed a strong preference for licensed care, perhaps seeking assurance that the quality would be monitored and controlled at times when they could not themselves be available.

Factors such as cost and availability were most often cited by parents responding to the Task Force survey, as well as those who wrote to the Task Force, as reasons for not using this preferred type of care.

> *Given the comments of my fellow employees and my friends, I believe that different kinds of day care are required, depending on the situation; the problem stems from the fact that we do not always have a real choice, there are no alternatives.*
>
> *Mariette Chabot*
> *Rimouski, Quebec*
> *(translation from French)*

## CONCLUSIONS

All parents need supplemental child care for their children. Parents working or studying either part-time or full-time need care for their children while they engage in these activities. Existing child care centres are rarely structured to accommodate irregular working hours, and this presents a difficulty for many parents. Homemaker-parents require child care while they shop, study, perform community or volunteer activities, recuperate from illness or care for another family member. All parents also need occasional child care while they engage in social and community activities outside their working hours.

All children need care that responds to their developmental needs. Quality child care services, on a part-time or full-time basis, can play an important role in supplementing the parental role in child development. Certain groups of children also have special child care needs: natives, ethnic minorities, immigrant children, the physically or mentally handicapped, and children in need of protection.

Our analysis of parental preferences indicates that, in fact, parents want a variety of services and that they are particularly concerned about the quality of care. Parents are aware of the ingredients of quality care and they attempt to apply these criteria in the process of selecting care for their children. The measures they use conform closely to those developed by child care specialists.

Parents do not, however, always agree with either the experts or with each other on the relative ranking of quality criteria. Nonetheless, they do indicate that one factor in particular, licensing of care arrangements, is very important to them. They regard licensing as a form of consumer protection, since licensed centres are government-supervised to ensure minimum standards are being met. In particular, parents in several studies have indicated a preference for centre care. They seem to be unaware of other alternatives, such as licensed child care in a caregiver's home, and appear not to have considered alternatives such as licensing caregivers to come into their own home.

Currently, only a minority of parents are using their preferred option of child care and, generally, those are mothers at home.

To summarize, the analysis presented in this chapter leads us to the conclusion that present child care arrangements fall short of meeting the needs and the expectations of Canadian parents and children. Any realistic response to the current child care debate must take into consideration the great magnitude and the diversity of needs, and respond to the concerns of parents with regard to quality.

Health and Welfare Canada, Public Affairs Directorate

# 5

# Child Care Providers

## INTRODUCTION

CHILD-REARING IS a complex and difficult task requiring a broad range of personal skills and familiarity with a rapidly expanding body of knowledge concerning child development. Parents and caregivers do not simply keep children safe from physical dangers. The skills and knowledge of those caring for children have a profound and lasting effect on the health and the emotional, social, intellectual and physical development of the children in their care. Good care (discussed in detail in Chapter 6) responds to this entire complexity of children's needs. Of prime concern to Canadian parents today are the skills and knowledge of those who offer child-rearing services for a fee and who thus will share the task of raising their children with them.

## RESEARCH ON CAREGIVERS

This chapter describes the characteristics, working conditions, rights and obligations under the Income Tax Act of three types of caregivers:

(1) workers in licensed centres;
(2) caregivers in licensed family homes; and
(3) unlicensed caregivers who work either in their own homes or who are employed in the child's home. (The caregiver employed in the child's home may be either a daily sitter or a live-in nanny or relative.)

Given the importance of the caregiver's role, it is striking that so little empirical information can be found in the literature about caregivers. Very little is known about the characteristics of those who work as caregivers or about the environment in which they work.

Consequently, the Task Force commissioned a study to collect data on the demographic characteristics, working conditions and earnings of licensed child caregivers.[1] Results, based on a national random sample survey of employees in licensed centres, reveal that while these workers have more education than the average Canadian worker, their jobs, on the whole, are characterized by poor salaries, lack of benefits, and little room for career advancement. These results are supplemented by a 1982 study of licensed family home child care providers done by l'Office des services de garde à l'enfance, the agency responsible for child care in Quebec.[2]

A second report commissioned by the Task Force reviewed Canadian studies of the informal child care market in four urban centres (Winnipeg, Montreal, Kitchener and Metro Toronto), which describe characteristics of both users and providers of informal child care services.[3] Each of the four studies includes a focus on the informal child care market, but there were some differences among them.

The Winnipeg study was based on interviews with 2202 parents who used child care on a full- or part-time basis for their preschool and school-aged children.[4] This study, the only one to include school-aged children, divided care into four groups: non-market care (provided free of charge, mainly by relatives), private-market care (unlicensed), subsidized licensed care, and non-subsidized licensed care. Information concerning non-market and private-market caregivers in this survey is included in this chapter.

The Montreal study included 308 parents with preschool children, aged five years or less, and included full-time, part-time and occasional care.[5] The types of care used in the study were: care in the home, care outside the home, care by a relative, and care at a child care centre. The first three categories have been included in results presented here.

The Kitchener study examined the choices of 99 mothers with children between the ages of two and six who were working full-time.[6] The children of 37 mothers were in informal arrangements. The others were in family home child care, non-profit child care centres and private child care. The informal care users included: 22 using sitter care in the sitter's home, 4 using sitter care in the respondent's home, 5 using a relative in the respondent's home, 4 using father care, and 2 using a relative outside the home.

The Metro Toronto study looked at 742 respondents with preschool-aged children in care for more than fifteen hours per week.[7] The children in care used a sitter, a resident relative, a non-resident relative, and a child care centre. Only the Metro Toronto study provides a significant analysis of the characteristics of caregivers. This study was used to provide a further description of caregivers in a subsequent publication by the same authors.[8] Some of these findings also appear in this chapter.

The results of these studies raise concerns about informal caregivers' qualifications and indicate that unlicensed child care workers are employed under conditions inferior to those of their licensed counterparts.

Generally speaking, workers in licensed centres, and caregivers who work in the child's home are categorized as employees, while both licensed and unlicensed caregivers who care for children in their own homes are considered to be self-employed. The determination of this status has a significant impact on both the working conditions and tax treatment of the caregivers.

As was seen in the preceding chapter, workers who care for children in licensed child care centres may be found working in commercial centres, non-profit centres, or in municipal child care centres in Alberta and Ontario. Provincial child care legislation regulates workers' qualifications and staff:child ratios, while their wages and working conditions are protected under employment standards and similar labour legislation.

Similarly, each province sets standards for licensing family home care and often sets maximum caregiver:child ratios that are, in all cases, inclusive of the caregiver's own children. In Quebec, Nova Scotia, Ontario and Alberta, licensed homes are affiliated with an agency. In British

Columbia, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island and Yukon, they are licensed and monitored directly by the province. Newfoundland and the Northwest Territories are the only jurisdictions that do not license family home care.

Regulation covers a relatively small part of the child care industry. Surveys indicate that more than 80 per cent of child care in Canada is provided by caregivers in the unlicensed or informal market, who care for children in their own homes or in the child's home.[9]

Accurate information on the informal market is very difficult to obtain. Only the Metro Toronto study looked at the caregivers themselves in any detail, and this study did not distinguish between caregivers working in their own homes and those providing care in the child's home. While the information presented in this chapter does provide some indication of characteristics and working conditions of caregivers in the informal market, our knowledge of this sector is incomplete.

## CHARACTERISTICS OF CAREGIVERS

### Age and Sex

The Task Force survey of *licensed care workers* found that the majority of workers in licensed centres were between the ages of 20 and 30, and 99 per cent of the respondents were women.

In the *licensed family homes* surveyed, the majority of caregivers (98%) were women. On average, these women were older than their counterparts in licensed centres. Generally, caregivers in licensed homes were either mothers in their 20s and 30s with their own children at home, or older women in their 40s and 50s who were not caring for young children of their own at home.

In the Quebec study of licensed family home care, all caregivers were women. In four cases, however, husbands collaborated as caregivers. The average age was 36.6, somewhat older than workers in child care centres.

Among *unlicensed caregivers* providing care either in their own homes or in the children's homes, the overwhelming majority were women, but the age range did vary. The Toronto and Montreal informal market studies yielded some information as to the ages of unlicensed caregivers. In Montreal and Toronto, caregivers ranged in age from 15 or less, to over 68. Generally, sitters in the parental home tended to be younger (25 to 30 years in Toronto), while the average age of those caring in the caregiver's home was older (37 years in Toronto). In the Toronto study, 97 per cent of the caregivers were female and 75 per cent were married.

### Motivation and Job Commitment

The survey conducted for the Task Force found that the majority of workers in *licensed child care centres* entered the field because they enjoyed working with young children and wanted to contribute to their growth and development. Child care centre workers felt that they must work hard to counter the image that they are little more than babysitters. Over 60 per cent described themselves as teachers.

For many, the enjoyment of working with children was the reason they continued in the job. About half the workers were committed to staying in the field for 10 years or more. Some did not know how long they would stay, while others planned to leave when they had families of their own. About a quarter were planning to stay only a few years. Some wanted to work with children in other settings, while many expressed dissatisfaction with the low pay and low status of working in child care.

*Licensed family home caregivers* undertook child care work for different reasons. Younger home child care providers often cited a desire to stay home with, and have company for, their own children. Older women without training or education enabling them to work outside the home cited a desire for an interesting activity and something to do. However, most providers from both age groups expressed a need for additional income as a motivation for caring for children. While two-thirds viewed themselves as family child care providers or caregivers, some viewed their work not so much as a job with benefits and salary, but more as an extension of the work they do or did with their own children. As we shall see in Chapter 6, the role identification of private home caregivers is an important determinant of the quality of care provided to children in the home.

In the Quebec study of licensed family home child care providers, respondents were asked to rate, on a scale of one to five, the importance attached to different motivations for working as a caregiver. Love of children rated far above the others, with 81.9 per cent indicating this motivation was very or extremely important. For one-third of the caregivers surveyed, finding a companion for their own child was very or extremely important. The need to earn an income, the desire to have an activity and the possibility of earning an income at home were considered important, very or extremely important, to well over half the sample. Of the women in this sample, 92.6 per cent had children of their own, although only a third had a preschool-aged child at the time of the study.

Many licensed family home child care providers viewed this job as a temporary one. The younger caregivers in particular planned to offer this service only until their own children were of school age. Some, however, planned to continue until they were physically unable to do so.

Letters that the Task Force received from licensed family home caregivers vividly described their perception of their roles and the demands that were made of them.

> *The job involves being a maid, a cook, a child psychologist, a teacher, and a mother to these children — from getting a baby onto solid foods, to toilet training, to teaching him to walk, talk, do's and don'ts, to the basics of the alphabet, counting, colours, body health and body grooming, to the day to day trivia and hassle of learning to be — what a deal. And you can't help but love these children who are yours for 2/3 of their waking lives. With such enormous output and so little recognition or recompense, you'd have to be a lunatic to want to be a Day Care mother. But I do. . .*
>
> *Name Withheld*
> *Mansons Landing, B.C.*

> *It is no longer enough to rely upon our own experience as a mother in order to give complete care to someone else's children. As a day care provider I am expected to attend ongoing lectures and classes pertaining to a child's well-being.*

> *We study nutrition, psychology, child development, first aid, child abuse and also recreational and educational activities specifically designed to create interest. Over the years I have had to add adult psychology to the already abundant list of subject matter necessary to do my job.*
>
> *. . . a troubled parent, whether intentionally or not, can pass these worries to their children. Predictably there is a wide range of reactions; temper tantrums, extremely destructive behaviour, heightened aggression or a total mental withdrawal by the child from his surroundings and other people. The only way to correct this is to deal with the root of the problem — the parent. . . many times, just having someone to talk to can ease the frustration they feel and eventually ease the situation.*
>
> *Corrine Leger*
> *Stoney Creek, Ontario*

Less is known about the motivation and job commitment of *unlicensed caregivers*. In only one of the four informal market studies — the Metro Toronto study — was this aspect of unlicensed care addressed. Researchers in the Metro Toronto study found that, often, caregivers were in the job because it was work they could do in their own home while they cared for their own children, learned a new language, tried to find other work, or while illness kept them out of their usual work. About 25 per cent of caregivers in this study had regular or recurring health problems.

In the Metro Toronto study, over 70 per cent of unlicensed caregivers fell within the two lowest categories of socioeconomic status, with almost 50 per cent in the lowest category. Thus, the socioeconomic status of the majority of caregivers was below that of the parents using their services.

The Metro Toronto study also found that informal caregivers with little formal education tended not to define caregiving as work. Those who had gone beyond elementary school were more likely to regard it as a job and to demand higher rates of pay. Twenty per cent of these caregivers felt that infants would get better care in a centre, and the majority felt centres would provide better care for children over three.

Concerns regarding the lack of qualifications and commitment of private caregivers was a recurrent theme expressed in letters received by the Task Force from parents, particularly from those who had employed caregivers in their own homes.

> *I found that, generally speaking, the sitters I had in my home were young, out-of-school, out-of work girls. They were not particularly bright nor ambitious. Didn't have any sparkle or zest for living. They didn't really want to look after my kids, but up until then it was the only way they had to make some money. However, neither did they look upon it as being a job — something they had to put a little effort into, a job to be worked at, a challenge. This was not the person to replace Mummy, but what could I do? I tried with several girls to develop the proper attitude, to see the relationship I had with my children, to notice they were fun and interesting. I suggested games, activities, books to read, walks in the park, collecting leaves or stones or looking for animals, etc. etc. My sitters were usually: polite,*

> *quiet, well brought up and yet what I was saying to them regarding the care of my children was completely foreign to them. What my sitters really got involved with was talking on the 'phone, watching TV, eating, perhaps having a friend over and perhaps a walk — but a walk to the local department store. . .*
>
> *Margaret Eastwood*
> *Chateauguay, Quebec*

> *I tried having a babysitter coming to the house. She would watch T.V. and lock the children out of the house and leave them in the back yard for hours. Another babysitter left with her boyfriend and my neighbour informed me my children were playing on the street.*
>
> *Cecile MacLeod*
> *Hamilton, Ontario*

> *The lady we decided on, after checking with her grown son who owned a local business and visiting her downtown apartment and having her visit our home and meet our children, became drunk (on our liquor), used abusive language and hit one of our children — all on her first day of work.*
>
> *Name Withheld*
> *Victoria, B.C.*

Not all parents who wrote to the Task Force were dissatisfied with the private care arrangements they had made. Quite the contrary, some described informal caregivers with a real commitment to their work. Inevitably, however, these parents reported that finding such a person was largely a matter of luck.

> *We were incredibly lucky to find an experienced, loving woman to look after our children and the results have been beneficial all round. I am, I think, a good mother, but not a perfect one; Ross's "other mother" counterbalances my failings and gives me perspectives on my child's progress and therefore more confidence. Having some time away from him makes me enjoy my time with him all the more. It also allows me to bring in a little much-needed income without having to worry about him.*
>
> *Martha C. Wolf*
> *Halifax, Nova Scotia*

> *This lady is wonderful with children, loves them, disciplines them and believes in all similar values as both myself and husband believe in regarding child care. She is also a magnificent cook, cleans the house better than I will ever do it, bakes my bread, prepares our meals, does washing, spring cleaning, ironing etc. . . I come home partially drained from pressure of jobs and responsibilities but face two happy and fulfilled children that have received love that I wasn't there to give, good healthy meals & plenty of supervised outings plus the house chores done to the very last.*
>
> *Claudette Dorion*
> *Chatham, New Brunswick*

## Education and Training

Compared to the average Canadian worker, *child care workers in licensed centres* are well educated. While almost two-thirds of Canadian workers have high school education or less, almost half of the respondents in the study had completed one or two years of Early Childhood Education. More than one-third had more than two years' E.C.E. with some university, and 11 per cent had completed a university degree. Thirteen per cent had only a high school diploma and less than one per cent had not finished high school.

Regional variations in education levels were evident: more than 80 per cent of Quebec respondents had more than two years' E.C.E., while more than half the respondents in the three prairie provinces claimed less than two years' E.C.E.

Few of the workers felt there was an incentive to further their current level of training. Because the majority felt there were no tangible incentives to do so, the primary motivation for more training was personal satisfaction and achievement of personal goals.

Parents who wrote to the Task Force emphasized how important they considered specialized training for caregivers to be.

> *Does a PHD graduate give better care to a child than a tender loving girl who is interested in day care? Maybe not, but there is certain information available on child care that I would like someone looking after my daughter to have — about ways to raise my child's self-esteem, about healthy things to feed my child, about first-aid and safety, about play materials appropriate to my child's age, or about methods of non-punitive discipline. No one is asking for a Ph.D — just a basic training program.*
>
> *Pat Palmer*
> *Edmonton, Alberta*

> *My 4 year old daughter attends Garderie les Bois Verts. . . The educators are highly competent individuals, trained to deal with many situations, physical or mental. With the rising divorce rate, these people must often deal with the very unpredictable emotions of young children who are trying to sort out their own feelings at a very stressfull time. Through the courses and seminars the educators attend, they have offered many helpful suggestions that I have put to use in dealing with my daughter and I have come to value their opinion.*
>
> *Heather Vatcher*
> *Dollard des Ormeaux, Quebec*

None of the provinces that license family home care has specific training requirements for *family home child care providers*. Caregiver training courses and seminars are, however, sometimes offered by supervising agencies in the four provinces that require supervision of licensed family homes (Alberta, Ontario, Quebec and Nova Scotia), and by provincial officials in Manitoba.

Among licensed family home caregivers in Quebec, 40.5 per cent had not completed secondary school and 41.3 per cent had finished the secondary level only, a level of education slightly below that of the general female population in Quebec, and considerably below that of workers in child care centres. Of the respondents, 88.7 per cent indicated that a training course was available through their agency, and four-fifths of these had taken the course.

Of the licensed family home caregivers in the Task Force survey, about one-third had not completed high school, while about 40 per cent had a high school diploma. About 11 per cent had some university education, but not usually in a field related to early childhood education. To the question, "What permits or credentials do you hold?", most responded, "none," or described their credentials as "being parents themselves." Many saw their experience raising their own families as sufficient training, and most felt there was no incentive for further training in the field. A few, all affiliated with agencies, saw increased income, or being able to take more children, as an incentive to attend occasional workshops provided by the agency.

The Metro Toronto study of *unlicensed or informal caregivers* found that only four per cent had any formal training or professional experience. Six per cent had no prior experience or only casual babysitting experience. The majority (58%) stated their previous child care experience to be their own experience as a parent. Most of these caregivers had little formal education. Approximately 75 per cent had not completed high school, and more than half went no further than elementary school.

### Length of Service and Turnover

Fifty-eight per cent of *workers in licensed centres* had been in the field for more than three years; about 25 per cent had worked between five and 10 years; and 13 per cent for more than 10 years. The survey revealed a tendency to switch centres every four to five years. Sixty-one per cent of respondents had been a child care worker for more than a year, but had been in their current centres for less than a year.

Length of service varied considerably for caregivers in *licensed family homes*. Over fifty per cent had been in their current jobs for less than three years, and 5 per cent for more than 10 years. In the Quebec study of licensed family home caregivers, only 38.3 per cent had worked as a caregiver before becoming affiliated with an agency, and the average experience was only four years. The average number of months worked as an accredited caregiver was 13.3; accreditation of family home caregivers, however, was relatively recent in Quebec at the time the study was conducted.

The Metro Toronto study of *unlicensed caregivers* showed that half had provided care for less than two years, and about one-third had looked after children for five years or more.

## EARNINGS AND WORKING CONDITIONS OF CAREGIVERS

### Implications of Employment Status

Before examining the wages and working conditions of caregivers, it is important to understand the impact of employment status on caregivers' employment rights and responsibilities.

*Centre workers* are employees. They work for wages and their hours of work, minimum wages, and benefits are regulated by provincial or territorial legislation. Like all other Canadian employees, they must file income tax returns, and they and their employers must contribute to the Unemployment Insurance and Canada/Quebec Pension Plans.

*Caregivers in licensed homes* are usually self-employed. They are considered to be operating a business, either independently or under contract with an agency.[10] This means that minimum employment standards are not applicable to them because employment standards legislation governs only employees. Thus, licensed caregivers working in their own homes have no minimum wage or holiday pay guarantees. They must make their own deductions for Quebec or Canada Pension Plan, keep business records and file an income tax return as a self-employed business person.

The *unlicensed caregiver working in her own home* is also self-employed, with the same conditions applying to her as to the licensed home caregiver. Both must not only see to their own benefits, but they must also keep business records, remit income tax and file tax returns. In the case of licensed family home caregivers, the agency with which they are affiliated often issues receipts to parents for income tax purposes. The unlicensed home caregiver often does not provide receipts, nor does she file tax returns or make the required C./Q.P.P. and income tax remittances.

*Unlicensed caregivers who work in the child's home* are employees and thus are treated in the same way as are centre care workers for the purposes of U.I.C., C./Q.P.P. and income tax. However, most provinces consider them to be "domestic workers," and they are often exempted from provincial/territorial employment standards legislation, or receive only minimal legislative protection. In fact, many of these workers are paid less than minimum wage in under-the-table arrangements with employing parents, do not receive the benefit of statutory unemployment and pension programs, and do not report their incomes for tax purposes.

*Foreign domestics who work in private Canadian homes* are a special case. They too are employees for tax and benefits purposes. However, their hours of work and rates of pay are set through immigration policy, which requires these conditions to be specified in employment contracts.

A more detailed discussion of these issues follows.

## Hours of Work

Three out of five *child care centre workers* in the Task Force survey worked a full week of between 35 and 40 paid hours. Of these hours, not all were spent with children. While 63 per cent of centre workers did spend all of their time with the children, 21 per cent spent three-quarters of their working time with the children, 6 per cent half of their time, and 8 per cent one-quarter of their time, or less.

One-third of the workers in licensed centres reported that they worked several hours each week without pay in addition to their paid hours. Only 3 per cent received compensation for overtime work. Only one-quarter of centre employees were paid for preparation or planning time, and less than half were paid for attending staff meetings.

The hours of work for *licensed family home caregivers* tended to be longer. While hours of operation varied from caregiver to caregiver, 68 per cent worked more than 35 to 40 hours, 12 per cent worked 35 to 40 hours each week, and about 13 per cent worked less. Fully 40 per cent of home caregivers worked more than 45 to 50 hours per week. About 40 per cent worked less than two unpaid hours, and 37 per cent worked five or more unpaid hours per week. About one-third received help, mostly from spouses and children.

Seventy per cent of providers reported that they spent all their time with the children, and 20 per cent spent three-quarters of their time with children. Much of the remaining time was spent on household tasks, or as a break while the children slept.

In the Quebec study of licensed family home caregivers, nearly 60 per cent worked more than 40 hours a week, and another 20 per cent worked 33 to 40 hours per week; 60 per cent received children before eight in the morning, and in nearly 25 per cent of the cases, the last child left after six in the evening. Over half took care of children in the evening on a regular or occasional basis; more than a third sometimes or regularly kept children overnight, and more than a third offered weekend services. Only six (of 122) had adult collaborators, four of whom were husbands.

No comparable data are available with regard to *unlicensed caregivers*. However, for those working in their own homes, it is probably safe to assume that the situation is similar to that of licensed family home caregivers. For many full-time caregivers, the working day can be as long as 10 hours, with no scheduled coffee or lunch breaks. When parents do not pick up a child on time, the caregiver's day is extended and her family's life disrupted as a result.

Employment standards legislation in some provinces and territories regulates hours of work, rates of pay and some benefits for caregivers who are employees in either child care centres, or as nannies or sitters in the child's home. Caregivers who come from abroad to work in Canadian homes enter into employment contracts with their employers. These contracts specify maximum hours and other conditions which are controlled by the Canadian Employment and Immigration Commission. Minimum wage legislation and immigration procedures are reviewed in a subsequent section.

## Unionization

While some *child care workers in licensed child care centres* are organized, those who provide child care in the child's home are not.

Based on telephone interviews with various sources, researchers for the Task Force estimated that, of the approximately 3200 licenced centres in Canada, about 8 per cent were unionized. The rate of unionization varied considerably by province, with the highest rates in B.C. (21%) and Quebec (18%), and the lowest rates in the Atlantic region (1%).

## Earnings

The Task Force study of wages of *child care workers in licensed centres* found that in October 1984, the mean wage for a child care worker was $7.29 per hour ($14 212 annually) for a 35 to 40 hour week. This wage is fairly constant in all regions except in Atlantic Canada, where the mean wage was $5.00 per hour ($9750 annually), 30 per cent below the national average. The key factors influencing wages appear to be centre funding source, the presence of a union, and job classification. The size of city also seems to have some influence on wages; centres in cities with populations over 100 000 paid wages higher than those in cities with populations under that number.

Staff in centres operated on a profit basis received the lowest wages, while those in municipal centres received the highest. In centres operated for a profit, staff earned 30 per cent less than staff in non-profit centres, and 50 per cent less than staff who worked in municipal centres. Staff working in centres represented by a union earned 30 per cent more than did their non-unionized counterparts. Only 13 per cent of workers received a yearly cost-of-living increase. One-third received periodic merit increases.

Wages also increased with job responsibility and educational levels. Aides received about $9900 per year, teachers about $13 900 per year, and program directors an average of $17 500 per year. Those with one year of E.C.E. received, on average, $12 300 per year; those with more than two years' E.C.E., $15 100; and those with a B.A., $16 100 per year.

The national average weekly wage for centre workers was $273.00, varying from a low of $189.00 in the Atlantic region, to a high of $294.00 in Quebec. Compared to the average weekly industrial wage, day care workers fared poorly: in British Columbia, they earned only 64 per cent of the average weekly earnings for all industries; in Ontario, 66 per cent. In Quebec, wages were higher than in other regions, but the wage level still amounted to only 74 per cent of the average industrial wage in that province.

When compared to workers with similar jobs, child care worker wages are low. Child care workers received only 64 per cent of the salary of a mental retardation counsellor, and about 80 per cent of that of a nursing assistant. In Ontario and Quebec, experienced child care workers received only about half the wage of experienced elementary school teachers.

> *Day Care workers are paid peanuts. These people have to study two or more years to become what they are. They have to be more intelligent, energetic, intuitive, compassionate and caring. They are responsible for the formative years of our next generation and they are doing the best they can in cramped, understaffed, overcrowded nurseries. They have no incentive other than their own dedication.*
>
> *J. Sawers*
> *Winnipeg, Manitoba*

> *There is a Canada-wide subsidy in effect right now. We, the staff of centres throughout Canada, are the subsidy.*
>
> *Sunburst Children's Centre*
> *Downsview, Ontario*

As noted above, licensed child care centres must comply with provincial/territorial laws regulating minimum wage, vacation pay, statutory holidays, maximum hours, payment for overtime work, notice of termination, and workers' compensation. For example, Manitoba has a minimum wage of $4.00 per hour, and requires employers to provide two weeks' paid vacation for an employee of up to five years, and three weeks for employees of over five years. Hours of work are limited to 40 hours a week, eight hours per day. Otherwise, overtime pay is required. Ontario centre employees must receive $4.00 per hour, work only eight hours a day to a maximum of 48 hours per week, with two weeks' vacation or four per cent of gross earnings as vacation pay. The survey conducted for the Task Force suggests that this legislation is not always complied with by centre operators.

Many *licensed family home caregivers* in the Task Force survey did not know what their incomes were, or their expenses. Their incomes fluctuate from week to week, since these caregivers are paid a per diem rate for the children in their care, generally based on attendance. Therefore, these caregivers are not paid when children are absent, whether due to illness, vacation or parental choice. From this fluctuating income the caregiver deducts her expenses, including food for meals and snacks, insurance, toys and play materials, rent, cleaning, wear and tear, advertising, and so on. Since these caregivers are self-employed, provincial/territorial employment standards and other related legislation do not apply to them.

Calculated on the current number of children in care on a full-time basis, the mean gross for licensed family home caregivers surveyed was $3.30 per hour ($7722 annually), and the mean net, $2.26 ($5288 annually) — lower than the minimum wage in each province. There appeared to be no correlation between income and education, training, or experience. For most of the sample, income derived from caregiving represented only a small portion of total household earnings, even though many providers entered the field because they needed additional income.

> *In February 1984 I was licensed by the city for five children plus my daughter. I provide hot lunches and two snacks according to the Canada Food Guide, play stimulation, free play, comfortable and quiet sleeping accommodations and general health standards. I charge a reasonable rate of twelve dollars per day and there is no charge for absent days or driving one of the children to school. I enjoy having children come into my home and also being home full-time for my daughter. I know that my daughter is being cared for the way I prefer and the parents of the other children can be assured that I care for their children the way they want. I have open communications with my parents and they can drop in at any time. When the children have colds or are on medication, the parents can feel they are given the medications on time. As a parent, I realize how important it is for parents to find a dependable child care facility that enables them to go to work without feeling guilty or anxious about what might happen during the day.*
>
> *Linda Braun*
> *Calgary, Alberta*

> *Why don't you institute minimum wage for this service? It's expected by someone who types letters all day, who works in a dry cleaners or wipes up toilets and floors for a living — are each of these more important than our children? If I made half what a garbageman makes, I could stay with the job — is our*

> *garbage more vital than our children? And who ever bothers to even consider it?*
>
> *Karen Bunker*
> *Victoria, British Columbia*

The 1982 Quebec study of licensed family home child care found that the average fee for a full day with meals was $9.28. More than half (51.9%) of the caregivers were not paid for unscheduled absences, 55 per cent were not paid when the child was ill, 46.4 per cent were not paid for holidays, and 74 per cent were not paid when the child was not present due to the parents' vacation.

*Unlicensed caregivers* are in an income situation similar to that of licensed family home caregivers, except that their per diem rates tend to be lower. Payment by attendance rather than by enrollment is the norm, which results in little income security. Unlicensed caregivers working in their own homes have expenses similar to those of licensed family home caregivers. However, these may well be lower, as these care arrangements are not subject to the standards applying to licensed homes. Fewer than half of the informal caregivers in the Metro Toronto study could think of any expenses incurred when surveyed, although 42 per cent provided food and 15 per cent remembered buying toys. This study found that the average income for 281 caregivers in 1976 was $1268.30, while their average expenses for providing care were $1633.00. Fifteen per cent of these caregivers reported receiving no money for looking after children.

> *Recently, I made a full-fledged effort to take in children, to offer day care. Putting my experience as a mother into effect.*
>
> *I had two children started along with my two and was shocked to find the expenses so much. To consider money for food, supplies, wear and tear on the house — not to mention myself. . . I couldn't NOT ask for more money.*
>
> *Jan Allan*
> *Port Elgin, Ontario*

*Caregivers who work in the child's home* are employees, and this status is relevant to their wages and working conditions, but the impact of this status varies from one province or territory to another.[11]

Four jurisdictions (Alberta, New Brunswick, Nova Scotia and the Northwest Territories) exempt domestic workers in private homes from employment standards legislation. This means that caregivers in these provinces and territories have no guarantee of a basic minimum wage, maximum hours of work, overtime pay, vacations and vacation pay, statutory holidays, or unemployment and maternity benefits.

The other provinces provide varying degrees of protection for domestic workers. In British Columbia, Newfoundland and Quebec, domestic workers are covered by employment standards provisions but are subject to a special minimum wage lower than the general provincial minimum. For example, the minimum wage in British Columbia is $3.65 per hour. Domestics must be paid $29.20 per day or part-day worked, but no limit is placed on the number of hours worked. Quebec fixes a standard work week of 53 hours for domestic workers, as compared to the 44-hour week for other workers, and lower minimum wage ($134 per week compared to $4.00 per hour for other workers). Domestics who live outside the employer's home have a standard 44-hour work week and minimum wage of $4.00 per hour. In Newfoundland, the minimum wage for a domestic worker is $2.75 per hour, compared to $4.00 per hour for other workers.

Domestic workers in Prince Edward Island are covered by employment standards legislation and must receive the provincial minimum wage of $4.00 per hour, from which deductions can be made for room and board. Similar deductions can be made in most other jurisdictions.

In Manitoba, domestic workers employed in a private family home for more than 24 hours per week must receive the same minimum wages, maternity leave and notice of termination of employment as other workers. The Manitoba legislation also limits the work day to 12 hours and requires overtime pay after the first eight. Manitoba domestic workers must have 36 consecutive hours of free time each week and six consecutive hours for sleep, as well as time off for meals and reasonable time to attend to personal or private affairs.

In Saskatchewan and Yukon, domestic workers are excluded from the hours of work and overtime provisions contained in the employment standards legislation. However, they are entitled to be paid the general minimum wage.

In Ontario, domestics employed by agencies are covered by the regular provisions of the employment standards legislation. Domestics and nannies employed by a private household for more than 24 hours per week are protected by a separate section of the legislation, which entitles them to two guaranteed free-time periods of 36 and 12 consecutive hours. Overtime rates apply for work voluntarily undertaken in free time. As of March 1 1985, the minimum wage that applies is $4.00 per hour, or $176 per week. The Ontario legislation also provides two weeks' annual paid vacation and seven paid statutory holidays. To qualify for this protection, nannies or domestics must have formal training or have equivalent experience.

The federal government regulates the conditions of employment for *nannies and domestics* who come to work in private Canadian homes from *outside the country*. The wages and working conditions of these caregivers tend to be somewhat better than those for many other caregivers employed outside child care centres. Canadian immigration policy will allow the issuance of a work permit only on the condition that no detriment would be suffered by Canadian workers. Since the employer must show, among other things, that the wages and working conditions would attract Canadians, the employer must pay the minimum wage for domestics, where specified in provincial/territorial legislation; or, where there is no specific minimum wage for domestics, the provincial or territorial minimum wage. Wage increases are based on provincial minimums applicable, with some regard to the cost-of-living. In Ontario, 25 per cent was added to the provincial minimum because it was felt that the provincial minimum did not reflect market conditions. This protection is achieved through a standard worker-employer contract established by the Canada Employment and Immigration Commission. As well, temporary foreign domestics are given counselling assistance and vocational training opportunities to upgrade their skills. Temporary foreign domestics who lose their jobs through no fault of their own are given the opportunity to find further employment in Canada with the help of placement assistance from a Canada Employment Centre.

## Job-Related Benefits

With the exception of workers in municipal centres, the majority of *workers in child care centres* receive few job benefits. Benefits are closely tied to income. The employees with the highest wages tend also to receive the most benefits. Workers with the lowest wages (those working in centres operated for a profit) receive the fewest benefits.

The Task Force Survey results indicate that many child care workers do not receive benefits mandated by law, such as paid breaks, vacation pay, and minimum wage. Only 31 per cent received paid breaks, and less than half received paid lunch time. (See the discussion of hours of work and wages.)

Less than half of child care centre employees surveyed had a written job description, and only one-quarter had written personnel policies or a written contract. One-third (half of these unionized) had access to a formal grievance procedure.

Almost all respondents working in municipal centres were offered health care coverage. In addition, more than 80 per cent of municipal centre workers were covered by a retirement/pension plan, life insurance, more than one paid sick day per month, and some dental coverage. In contrast, less than one-third of the workers in centres operated on a profit basis, and about 40 per cent of workers in non-profit centres were offered health care coverage. While 93 per cent of workers in non-profit centres received at least one paid sick day per month, only 30 per cent of workers in commercial centres received this benefit. Three-quarters of workers in commercial centres received a paid vacation, with the majority receiving two weeks per year. Almost 85 per cent of workers in non-profit centres received two to four weeks' paid vacation per year.[12] Less than one-quarter of workers received paid maternity leave.

Federal legislation requires employers to deduct from employee's salaries, income tax, contributions to the Canada or Quebec Pension Plan and Unemployment Insurance, and to make additional Canada Pension Plan and Unemployment Insurance contributions on their behalf. Thus, Canada/Quebec Pension Plan and Unemployment Insurance coverage are available as benefits to employees in centres, as they are to all other Canadian employees.

As we have seen, because *caregivers in licensed family homes* are generally considered to be self-employed, they are not covered by employment standards and related provincial/territorial legislation, which regulates not only hours of work and rates of pay, but also employee benefits. Therefore, these caregivers not only do not receive the protection of provincial or territorial legislation relating to benefits such as paid vacation and workers' compensation, but they must provide entirely for other benefits or schemes such as health insurance and Canada/Quebec Pension Plan contributions. Their incomes are directly affected by working days lost because either the children or they themselves are sick or take a vacation, or the children are absent for other reasons. They cannot claim Unemployment Insurance benefits for maternity or unemployment.

Two-thirds of the licensed family home caregivers studied were affiliated with an agency and, of those who received benefits, most had such affiliation. None of these caregivers received a paid lunch period or breaks. Only 10 per cent had a written job description and only 20 per cent had written personnel policies. Fewer than 10 per cent had access to formal grievance procedures, but 46 per cent worked with a written contract. Ten per cent of these caregivers received the equivalent of an annual cost-of-living increase or periodic merit increases, generally tied to attendance at workshops. However, only 17 per cent had access to workshops or periodic in-service training. Fifty-seven per cent of all licensed family caregivers were compensated for overtime work. Many of these caregivers collected this fee directly from the parents, even when affiliated with an agency. The survey found no correlation between wages and agency affiliation.

Agencies provide a variety of services to licensed family caregivers. For example, some agencies collect per diem fees from the parents and then pay the caregiver on a monthly basis, retaining an administration fee from this amount. In the province of Quebec, the administration fee is subsidized by the province.

Most licensed family home caregivers saw advantages to their affiliation, since the agencies do some or all of the following: visit the homes regularly, provide support and encouragement, collect fees from parents, screen and refer clients, provide advice and assistance for problems, provide emergency replacements, lend toys and equipment, hold workshops, and provide the opportunity to meet other home providers.

In the Quebec study, all the caregivers were affiliated with an agency; 59 per cent had a written agreement with the parent and 40 per cent a verbal agreement. In most cases the agreement covered the hours of care and method of payment. The majority (74%) knew that their agency held regular meetings, 42 per cent attended regularly and another one-third went occasionally. Over half had access to a back-up service, half could borrow toys or educational materials, and most could depend on the agency for assistance in dealing with problems.

The extent to which job benefits are available to *unlicensed caregivers* depends on whether the caregiver is self-employed (i.e., working in her own home), or whether she is an employee, working in the child's home. The *self-employed unlicensed caregiver* is in virtually the same position as the self-employed licensed family home caregiver. Employment standards and other related provincial/territorial legislation do not apply. She must, herself, look after basic benefits such as health insurance and Canada/Quebec Pension Plan contributions. She is not eligible for Unemployment Insurance benefits. Even the minimal benefits supplied by agency affiliation are unavailable.

However, depending on the province in which she lives, the *unlicensed caregiver who works in the child's home* may have a right to minimum employee benefits. For example, in-home babysitters in Manitoba who spend more than 24 hours per week performing domestic services other than child care for the employer are not exempted from the

Manitoba Employment Standards Act. Therefore, not only minimum wage, but vacation pay and workers' compensation laws apply. Also, Manitoba allows employees to make voluntary workers' compensation contributions. Saskatchewan does not exempt domestics in private homes from employment standards legislation if the employer is receiving a federal, provincial or municipal grant or wage subsidy. Even when domestics are exempt, they are still entitled to vacation pay.

In all cases, however, federal legislation requiring income tax, Canada or Quebec Pension Plan and Unemployment Insurance deductions applies, conferring the corresponding benefits. However, like other minimum standards applying to domestic workers, these provisions frequently are not complied with.

> *Child care workers in the home, though providing a much-needed service make less than minimum wage, receive no benefits such as pension benefits, sick leave, holiday pay, or medicare contributions from the employer and are often not paid if the child or children do not come because of illness. I find this situation insupportable and I suspect it may be the reason that some child care situations in the home do not meet minimum standards. No one in our society, including students, is expected to work for less than minimum wage or without certain basic benefits. Why should those entrusted with the care of our society's children — perhaps one of the most important jobs in society today — be expected to work for less than minimum wage and no benefits?*
>
> *In Finland there is a program set up by the government to subsidize the cost to the parents of day care in the home and to provide a decent wage and basic benefits to the provider of care in the home. Would not this be one way of ensuring higher quality care in the home and also of ensuring that a whole class of workers, mostly women, are not exploited?*
>
> *Jane Hodgins*
> *Antigonish, Nova Scotia*

As noted above, *foreign domestics working in Canadian homes* are entitled to the benefits specified in the standard employment contract imposed by Employment and Immigration Canada. However, the 1981 Task Force on Immigration Practices and Procedures found foreign domestic workers had a very difficult time securing Unemployment Insurance and Canada/Quebec Pension Plan benefits. Although theoretically eligible for Unemployment Insurance, practically speaking they either find new employment or are required to leave the country before the expiry of the qualifying period for regular benefits. Payments to C.P.P. will not ordinarily produce a pension if the worker retires to her country of origin, depending on whether or not a tax convention between Canada and the foreign worker's home country covers this point. Although C.P.P. contributions made by a person working on an employment authorization can be recovered, the Immigration Task Force found that few persons claimed these amounts.

## Job Security

The only available data on job security appear in the findings in the Winnipeg, Montreal, Kitchener and Metro Toronto studies dealing with the *informal child care market*. Among the numerous disadvantages associated with the job of caring for children in her own home, the unlicensed caregiver has no job security, as the child can be withdrawn at any time, on short notice. The informal market studies indicated considerable variation in both the number of care arrangements and the length of children's stay in these arrangements. The Montreal study found that the average length of stay with the same caregiver was 120 weeks. The results of the Metro Toronto study indicated that care by unlicensed family home caregivers was shorter in duration than was care by a relative or centre care, averaging less than 10 months. The studies show that the care arrangement is most often terminated by parents rather than caregivers. The Metro Toronto study found that parents initiated termination 50 per cent of the time due to changes in their employment or place of residence, 14 per cent of the time because of a previously planned termination, and 10 per cent of the time because of problems relating to the child's care.

# RIGHTS AND OBLIGATIONS OF CAREGIVERS UNDER THE INCOME TAX ACT

## Child Care Centre Employees

As we have seen earlier in this chapter, child care centre workers are employees whose wages and working conditions are regulated by provincial or territorial employment standards legislation. Their employers must also comply with the provisions of the Income Tax Act, which requires the deduction of Canada or Quebec Pension Plan and unemployment insurance contributions and income tax. The employer matches C./Q.P.P. and Unemployment Insurance contributions. The centre employee is required to file an annual tax return.

## Licensed and Unlicensed Caregivers Providing Child Care in their Homes

Both licensed and unlicensed caregivers who provide child care in their own homes are self-employed, and therefore their earnings and working conditions are unregulated by provincial or territorial employment standards legislation. The federal and Quebec tax legislation oblige both licensed and unlicensed caregivers to remit Canada or Quebec Pension Plan contributions as well as income tax. These caregivers must also keep business records and file annual tax returns.

The income tax payable by caregivers who are operating a small business from their homes is paid on their net income remaining after the deduction of allowable operating expenses. Many caregivers working in their own homes are not aware of the deductions to which they are entitled for start-up and operating costs. Even if they are aware of the deductions, many are daunted by the extra paper work required to substantiate them, and are also frustrated by the lack of a clear policy and guidelines concerning some of the deductions.

The allowable expenses can be quite significant. In a study done for the Task Force, the authors provide an example of a home in which two infants and three preschoolers are being cared for.[13] Total estimated expenses amount to $7015 in this example. Operating expenses can be deducted for such things as food, activity materials, basic supplies for cleaning and first aid and general home maintenance costs. Deductions can also be made for automobile or transportation expenses and fees connected with outings.

Revenue Canada's policy on deductions for depreciation of capital property (called Capital Cost Allowances in the Act) was unclear at the time of publication. However, if treatment similar to that for other taxpayers is to apply, Capital Cost Allowances should be allowed on equipment such as a climber, which has a useful life of more than one year, as well as major appliances routinely used in the business, such as a washer and dryer.

Self-employed caregivers must keep records and have receipts available for verification. They must file an income statement and a balance sheet with their personal tax returns. This requirement is an onerous one for a person without bookkeeping experience, and may require the assistance of an accountant.

A further difficulty for the self-employed caregiver has been that in the past, Revenue Canada has not had a clear or uniform policy on operating expenses that may be claimed as business deductions. For example, some officials have accepted a simple per diem rate for food expenses, while others have required receipts. New guidelines were being developed by Revenue Canada for use in the 1985 tax year.

Caregivers working in their own homes who fail to comply with the requirements of the Income Tax Act to file tax returns, together with their spouses who illegally claim the married deduction on their returns, are subject to both civil and criminal penalties under the Act.

Revenue Canada informed the Task Force that it does not regularly cross-check files to actively seek out caregivers who carry on business without complying with the requirements in the Act. However, the Department's Special Investigation Branch has the power to audit any person suspected of failing to report income, and it may choose to do so at any time.

In 1975 Revenue Canada made a commitment in the federal Plan of Action on the Status of Women to publish, in 1979, a brochure outlining the rights and obligations of caregivers working in their own homes that would assist in the running of these small businesses. This commitment has not been met.

## Caregivers Working in the Child's Home

Caregivers who work in the child's home may or may not have the protection of provincial or territorial employment standards legislation, depending upon the province in which they work. Foreign domestic workers and nannies receive some additional protection through the employer-employee contracts required by Canadian immigration authorities. However, for the purposes of the Income Tax Act, both Canadian and foreign caregivers in the child's home are employees, just as are child care centre workers. This means that the parent-employer must deduct and remit Canada or Quebec Pension Plan and Unemployment Insurance contributions, match these amounts, and remit them to Revenue Canada. They must also deduct income tax at source. This group of caregiver-employees must file annual tax returns like any other Canadian worker. However, the parent-employers cannot deduct the full cost of the employee's salary and benefits, because the Income Tax Act limits the child care deduction to $2000 per child annually.

## CONCLUSIONS

In the introduction to this chapter we indicated that child-rearing is a complex and difficult task requiring both knowledge and skill. People who care for children perform much more than a custodial function, requiring both nurturing and teaching capabilities. The quality of care they provide contributes directly to the development of children. Unfortunately, this occupation is rarely accorded the status it deserves in terms of community perception and remuneration. The 1979 report of the Canadian Commission for the International Year of the Child, *For Canada's Children*, summarized the position of child care workers and caregivers:

> *At present, child-care workers and other caregivers are chronically underpaid, largely because they replace parents who are paid nothing for their work as caregivers. A mother's work in the home is not counted in the gross national product, she receives no pensions or benefits; and her experience counts for little in the job market. Society expects a mother's reward to be her joy in her work, and this attitude extends to child-care workers. But child care is important work, and those who care for children should be valued accordingly.*[14]

For workers in child care centres, working conditions vary considerably, depending on sponsorship of the centre in which they are employed. They have greater legislative protection than any other type of child care worker. Centre workers have opportunities for interaction with other child care professionals, which licensed family home caregivers and informal caregivers do not have. Centre workers generally have access to resources such as planning tools and other knowledgeable staff to aid in performing their jobs. Nonetheless, despite generally high education levels and a clear commitment to working with children, centre workers tend to work long hours with low pay and few benefits, sometimes contrary to provincial employment standards legislation. Moreover they must combat an image that does not reflect their status as professional child care workers.

Caregivers in licensed family homes work under much less favourable conditions. Although they may receive some benefits through affiliation with an agency, their hours are longer than those of centre workers. They generally work for less than minimum wage and have virtually no job benefits unless they are associated with an agency. Agency association does not provide benefits such as paid lunch periods, breaks and vacations, health and pension scheme contributions, and workers' compensation. Benefits are largely provided in the form of services the agency makes available. In addition, these caregivers work in isolation and themselves absorb most of the expenses of providing the care.

Unlicensed caregivers are better off than caregivers in licensed family homes only if they have employee status and manage to squeeze into the limited protection of provincial employment standards legislation and statutory pension and Unemployment Insurance schemes. The unlicensed self-employed caregiver is in much the same position as is the licensed family home caregiver, minus even the limited advantages conferred by affiliation with an agency.

Foreign domestic workers in private Canadian homes are guaranteed at least the minimum wage in the province/territory in which they work, as well as having some additional working conditions regulated by Employment and Immigration Canada. However, the Unemployment Insurance and pension benefits to which they contribute seem to be of little real benefit, given their unique, temporary residence in Canada.

Many child caregivers remain in the field because of compassion and dedication, not because of the financial return. Today, with an ever-increasing need for supplemental child care, the means must be found to accord caregiving the status and remuneration it deserves. Without such action, we may be hard pressed to find competent, dedicated and qualified caregivers at a time when they are required in increasing numbers.

Health and Welfare Canada, Public Affairs Directorate

# 6

# Good Child Care: What Is It?

## INTRODUCTION

THROUGHOUT THIS REPORT, and in the letters and briefs that the Task Force received, emphasis has been placed on *quality* or *good* child care. Professionals in the field, including both practitioners and academics, as well as users and providers of child care services and governments that fund such services, are agreed that this issue is of critical importance. The notion of quality care is not new. Child care, whether provided by parents, relatives or non-family members, has been with us since the dawn of humankind's existence in varying degrees of satisfactoriness.[1] What is new is the extent to which non-parental supplementary child care is both a feature of and a requisite in our society.

The quality of care received by young children is important for a number of reasons. It is now accepted that the care, stimulation and nurturing received during the child's formative years (zero to five) are crucial to the development of adults competent to function in, and capable of contributing to, a modern post-industrial society.

In addition, researchers have found that children enrolled in quality child care programs, with small group size and good adult:child interaction, as a group perform consistently better in social adaptation, and intellectual and language measures than do children who are exclusively home-reared.[2] In general, children with preschool nursery or child care experience are found to be more independent and self-directed, while suffering no loss in maternal attachment and emotional stability. Gains for children from disadvantaged families have been observed to be particularly significant, including improved school performance, lower rates of juvenile delinquency and teen pregnancy, and higher rates of employment. As we will discuss further in Chapters 9 and 12, these benefits for children have important secondary effects for parents, employers and society as a whole. However, such benefits can be anticipated only from programs that meet a high standard of quality. Much less work has been done to identify the effects on child development of mediocre or poor-quality group child care experiences. One study, which compared care in unlicensed and agency-sponsored homes in San Francisco, found that toddlers in unlicensed homes spent more time not interacting with anyone and appeared more unhappy than those in agency-sponsored homes; and that children over three in unlicensed homes displayed more anti-social behaviour than their counterparts in licensed and sponsored homes.[3]

Thus it is important to define what is meant by good or quality care.[4] Let us first look at the principles taken into account in defining quality child care, and then examine in detail the elements involved.[5]

## DEFINING QUALITY CHILD CARE

Defining quality child care is not an easy task: the issue is complex and multifaceted. There are also semantic difficulties: when we refer to good child care in this report, we are not talking about quality in the sense of *luxury* care, *but rather, care that achieves its objectives in an effective fashion*.

Child care itself is often viewed in different but not necessarily contradictory ways: as a service enabling parents to work, as a service oriented to enhancing children's development, and as part of a comprehensive set of child welfare and family support services. Emphasis on one or another of these functions then results in the use of somewhat different criteria for judging quality care.

From the parents' point of view, criteria for good care include such practical considerations as reliability and affordability, as well as caregiving that is consistent with their values and beliefs. Considerations such as availability (are there spaces?), accessibility (convenience of location), flexibility of scheduling, care for more than one child in the family, and care when children are sick also affect the quality of a care arrangement from the parents' perspective.

From the perspective of the child, quality factors are those that meet the needs of the child for growth and development. In a child care centre environment, this can be achieved through structural factors such as: group size, adult:child ratios, the philosophy and content of the program, and the nature of adult-child relationships.

A third perspective takes a broader view and relates quality child care to its potential for providing ancillary health, nutrition, parent counselling and other services designed to help families function more effectively.

These three perspectives are not mutually exclusive, but are complementary. They highlight the range of factors that constitute good child care. Quality child care provides support to parents, recognizes children's developmental needs, and is preventive. It involves a continuing interplay of these factors; it does not focus solely on one facet, to the detriment of the others.

Thus, child care can be considered *good* or of *high quality* only if it meets the needs of both parents and their children. While it is true that small pockets of children in Canada today are served by child care programs that meet their developmental needs, the need of parents to have access to child care options that are affordable, conveniently located, and that provide flexible scheduling, among other things, can be met only by a system that offers a sufficient quantity of quality-care options at a price parents can afford. Similarly, net benefits to the larger society — to employers in terms of productivity, to the treasury in savings in other expenditure areas — can be anticipated only if the system is sufficiently comprehensive to encompass a significant proportion of child care users. We will return to a discussion of the components of a quality child care system in Chapter 13 of this report, and will in this chapter confine our discussion to those determinants of quality care that affect children's development and their relationships with their families.

The following definition of quality child care, developed by researchers for the Task Force, comprises the essential elements:

> *Quality child care is care provided by knowledgeable, committed and sensitive caregivers in a milieu that supports their efforts to provide an optimal environment designed to foster children's well-being, development and competence. Care provided in this manner explicitly recognizes the needs of parents for caregiving that supports and strengthens their child-rearing efforts through effective and informative communication and mutual respect.*[6]

## COMPONENTS OF QUALITY CHILD CARE

Research on child care is a very recent phenomenom: begun in the late 1960s, research efforts first focussed upon whether or not daily separations of young children from their parents would harm children's development or affect parent-child attachments. The results of this work demonstrated that children enrolled in good programs fare at least as well as do home-reared children in both respects.[7] By the mid-70s, researchers began to compare centre and home care arrangements, but not until the late 1970s and the 1980s did researchers begin to identify sources of quality variations among centres and among homes.

Research that attempts to isolate the factors that affect the quality of caregiving, and the impact of these individual factors on the individuals involved (children, their parents and caregivers) is, needless to say, a complex task. Nevertheless, sufficient work has been carried out to date to give us an understanding of the key variables.

In this section, the results of research with respect to two types of child care — child care centres and family home care — will be discussed briefly, and the implications for indicators of quality care will be examined. Because of the differences in these two types of services, they will be dealt with separately.

### Research on Indicators of Quality Care in Child Care Centres

Research on the components of quality in centre settings has focused upon seven key elements. In general, the findings indicate that adult:child ratios, group size, caregiver qualifications, curriculum, physical environment (centre size and density), materials and equipment and parental involvement are factors that determine the quality of caregiving and the nature of children's experiences in day care settings.

#### Staff:Child Ratios

The ideal ratio perhaps does not exist, but there is general agreement that ratios must reflect the age of the child being cared for, as well as the degree to which children needing special care are included in a centre or family home.

Higher ratios are associated with a lower standard of care because of the decreasing ability of the staff to provide each child with the necessary amount of individual attention. Ratios for school-aged children who may require care before and after school are generally expected to be higher than those for preschoolers, although these will also vary with the age of the child and the type of activity.

A number of studies have confirmed that staff:child ratios have greater significance for children under three years of age than for older children. Ratios higher than 1:4 for children in this age group have been observed to result in increases in child apathy and distress. Thus, the generally accepted recommended ratio for children under 3 years of age appears to be 1:3.

Caregiver:child ratios may not be as significant a factor for preschoolers as group size, but generally, ratios in the range from 1:4 to 1:10 are thought to be consistent with good care, depending on group size and age-mix of children.

While there is less consensus on desired staff:child ratios for children aged 6 to 12, the U.S. National Association for the Education of Young Children recommends ratios of 1:10 to 1:12 for children in the five-to-eight age group.

### Group Size

Group size is related to the need for individualized attention and to interaction among the children in child care centres. The group must be small enough to permit caregivers to manage effectively both individual and group activities, which will encourage appropriate development of independence, self-assertion, problem-solving, co-operation and friendliness in the children. This factor was identified in one American study as the most significant factor affecting caregiver behaviours and children's scores on standardized tests of cognitive and language development for three-, four- and five-year-olds.[8]

This factor is closely linked with staff:child ratios. Table 6.1 offers guidelines for acceptable group size in relation to staff:child ratios at child care centres. Optimal group sizes would, of course, be smaller than the maximums presented in the table.

### Caregiver Qualifications

Caregiver qualifications is a third important variable in good child care. In one major American study, it was found that neither formal education nor the length of work experience in child care contributed significantly to the quality of caregiver-child interactions or to gains on developmental tests. What did make a difference was education or training related to child development or early childhood education.

It is not possible to make simple rules for such training for a variety of reasons. Labels given to training may vary by province and the university or college providing it. Degrees or diplomas in such disciplines as psychology can be mainly in relation to child development or not at all related. Current research seems to indicate that the length of training per se is not necessarily a measure of the ability of the caregiver; what is important is that the training be related to early childhood development and child care. Such training directly contributes to the ability of a caregiver to carry out a primary prevention function. Development of skills for working with parents enables caregivers to use their skills in developmental assessment to work with parents and to provide early assistance for children in need of special help. In instances where special-needs children are included either in centre or family home care, special in-service or other training may be needed.

Other studies that have examined the significance of personal characteristics of staff such as motivation, communication skills and enjoyment of children, have recognized the need for careful screening and recruitment of staff, and the importance of continuing education programs and supervision to maintain and improve the quality of care provided.

### Curriculum

A variety of curriculum approaches exists in the field of early childhood education, each of which tends to emphasize one or another aspect of child development. In programs that are more highly structured, children show less independence and initiative, but do better on intelligence and achievement tests. Children in open or discovery-type programs are observed to be more independent and persistent and to do well on tests of inventiveness and problem-solving. The long-standing debate over the style of early childhood programs has prompted some commentators to adopt the view that the effort to consciously define a program is a more important contributor to quality than is its specific content.

### Physical Environment

Such considerations as overall size of a centre, crowdedness, design and layout of space, and availability of materials also influence children's

**TABLE 6.1**

**Acceptable Range of Staff: Child Ratios Within Group Size**

| | Group Size | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **6** | **8/9** | **10** | **12** | **14** | **16** | **18** | **20** | **22** | **24** |
| Infants (0-18 months) | 1:3 | 1:4 | | | | | | | | |
| Toddlers (18-35 months) | 1:3 | 1:4 | 1:5 | | | | | | | |
| Two- and three-year-olds | | 1:4 | 1:5 | 1:6 | | | | | | |
| Three-year-olds | | | 1:5 | 1:6 | 1:7 | 1:8 | | | | |
| Three- and four-year-olds | | | | | 1:7 | 1:8 | 1:9 | 1:10 | | |
| Four-year-olds | | | | | | 1:8 | 1:9 | 1:10 | | |
| Four- and five-year-olds | | | | | | 1:8 | 1:9 | 1:10 | 1:11 | 1:12 |
| Five- to eight-year-olds | | | | | | | | 1:10 | 1:11 | 1:12 |

**Source:** National Association for the Education of Young Children, *Draft Criteria for High Quality Early Childhood Programs*, cited in Lero and Kyle, *Day Care Quality: Its Definition and Implementation.* A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E.

experiences in child care. One California study found, for example, that centres with a population exceeding 60 children were less flexible in their scheduling and offered children fewer opportunities to initiate activities.[9] Teachers in the larger centres placed more emphasis on control and displayed less sensitivity to the individual needs of the children. Children were observed to display less pleasure and overall enjoyment than did their counterparts in smaller centres.

With respect to space, quality care requirements may be stated in terms of minimum square metres or square feet per child. It is generally accepted that about 3.5m$^2$ (about 35 square feet) are required per child for indoor space, while outdoor space requirements are on the order of 7m$^2$ (75 square feet). Indoor space is expected to be well ventilated, include some natural lighting, meet requirements for health, safety and fire standards, and be suitably arranged to lend itself to small-group and large-group activities, as well as to some privacy for individual play.

Equipment requirements are difficult to quantify sensibly. There are many types of equipment that contribute to the objective of quality care. There is also a range in cost from glossy purchased equipment to well and thoughtfully constructed, home-made, donated equipment. Equipment should be age-appropriate and designed to develop skills at various age levels. Materials should be available in sufficient quantities to allow choices by the children and to avoid unnecessary competition.

### Parent Involvement

Direct research on the effects of parent involvement on the quality of care provided in centres is lacking at this time. The Task Force believes, however, that parents can be effective monitors of quality and can provide direct support to staff through such activities as participating on an advisory board, acting as volunteers within the program, and contributing money and equipment.

Research has clearly verified that children's developmental gains are strengthened when programs involve parents, and when there is consistency between home and centre environments.[10] This highlights the importance of the caregiver-family relationship. If a good relationship is established, parents can also derive support from the caregiver. In addition to informal discussion, centre staff can offer parents information about children's development and behaviour patterns, suggestions about child-rearing problems, referrals to community agencies, and an opportunity to develop a support system comprised of staff and other parents. Such support may be especially valuable to single parents or to those who are new to the community.

## Research on Indicators of Quality Family Home Care

Criteria of quality in family child care have been developed separately in the literature, due to the essential differences between the two types of care. Family home child care, as one commentator has described it, "is the sharing of a real home with a child or children. It is not the conversion of a home to a small child welfare institution which is 'like a home'."[11] As a consequence, while the same general factors underlying quality care apply (such as providing a safe and stimulating environment), very different modes of implementation are required. For example, quality family home child care is not as dependent on formally structured activities and programs as is group care, but is, rather, dependent on sensitive, responsive caregiving that makes use of every-day happenings, such as baking and shopping, to foster a child's growth and development.

We have not looked at components of quality child care for situations where the caregiver is taking care of the child in the child's own home. Such care may range from custodial baby sitting arrangements to professional care by a well trained nanny. The research available does not deal with these situations. Care in the child's home does not lend itself easily to the specification of criteria that have a general fit. Some of the criteria relating to family home child care are clearly relevant, however. This is perhaps one area that deserves study in the future, as it appears to be an approach preferred by some parents.

A limited amount of research has been done on family home child care, even though it is the most commonly used form of non-parental care. However, certain factors stand out relating to provision of quality care.

### The Number of Children Being Cared For

This is analogous to the staff:child ratios and group size factors in centre care. An increase in the number of children in a home affects the quality of adult-child interactions, and smaller numbers of children have been observed to be associated with more positive, stimulating caregiving behaviours directed to individual children.

### Age-Mix of Children

Combining toddlers and preschool children may result in a decrease of one-to-one interactions with individual toddlers. Similarly, the presence of school-aged children in the afternoons was found, in one major U.S. study, to cause a shift of caregiver's attention away from younger children, especially preschoolers.[12] However, results in this area are not definitive.

### Caregiver Experience, Education and Training

The major finding of existing research is that pre-service and in-service training related to providing home child care has strong positive effects on caregiver behaviour and therefore can be considered a major vehicle for enhancing the quality of care provided in family homes. Length of experience does not appear to be a factor in the quality of care, and level of education per se appears only slightly related.

### Sponsored Versus Unsponsored Family Child Care Homes

A study of three types of family home child care — licensed, unlicensed, and licensed agency homes — clearly indicated that sponsored homes provided better child care environments for children, including more stimulation and more supervision, than did other homes, whether licensed or unlicensed.[13] A number of factors contributed to this, including the caregiver's self-perception, and provision of support services by the agency or sponsoring group.

Sponsored caregivers had an orientation to caregiving different from that of other providers. In brief, they saw themselves as paraprofessionals, and identified more strongly with the role of being a family home child care provider. They spent more time and more structured time with children, facilitating much more language development, structured fine motor activities, and music and dance activities. Accordingly, they spent less time attending to their own needs, including housekeeping, and in helping children with physical tasks. The same study reported that differences between regulated and unregulated homes were generally small in comparison to the significant differences that emerged between these two groups and sponsored homes.

### Caregiver Attitudes and Characteristics

Caregivers' role definition is a major factor in the kind of care provided and in the attention given to developmental stimulation for the children. In two studies, caregivers' role definition was found to significantly affect the amount of time they spent with the children in contrast to general housekeeping, the likelihood that they would have set up a "child-centred environment" (separate play area), and the extent to which children participated in developmentally stimulating activities.[14] As mentioned above, such self-identification is more often found among caregivers associated with a sponsoring agency.

In addition, personal characteristics, such as energy, warmth, openness and flexibility appeared positively correlated with better-quality care. Providers' communication skills were found in one study to be strongly associated with superior infant and toddler care.[15]

### Provider-Parent Relationship

Finally, the relationship between the parents and the child care provider is an important one, permitting constructive collaboration in child rearing.

## In Summary

While there are differences in the factors that affect quality in child care centres and in family child care homes, available research indicates that there are notable similarities. Three major factors are significant for both types of care:

(1) caregiver:child composition (i.e. group size and staff:child ratios);
(2) training specifically related to child care and development;
(3) caregiver:family relationship and consultation.

Experts identify a fourth major criterion for each type of care:

— for day care centres, space that is adequately designed and equipped;
— for family homes, on-going support and supervision by an agency.

This review of the literature and research gives some general guidelines for measurement of quality care. In Chapter 7 we will examine regulatory standards now in place across the country in light of these benchmarks.

## Other Factors Affecting Quality

There are other factors relating to delivery of quality child care services that should be taken into consideration when applying criteria. Firstly, requirements of the child vary, depending on the child's age and stage of development. Stimulating outdoor equipment suitable for a four-year-old is superfluous to the care of infants, to cite an obvious example. The degree of emphasis on a particular criterion may vary, and actual staff:child ratios required will be different.

Secondly, characteristics specific to the children themselves may require application of additional quality criteria. The introduction of handicapped children into a child care setting, or inclusion of children from ethnic minorities are two cases in point. While integration of mentally and physically handicapped children into a child care centre (or *mainstreaming* as it is sometimes called) is a preferred approach; the presence of such children in a centre or family home will affect needs for special equipment, adult: child ratios, and staff training requirements.

The quality of care experienced by ethnic minority children is affected by the sensitivity and responsiveness of caregivers to the cultural differences (food, customs, dress, language, child-rearing practices) of the children served, and the extent to which these differences are reflected in programs. Ideally, programs with a significant proportion of children from a particular ethnic minority group should hire staff from that minority group. At minimum, however, every effort should be made to fully involve parents and other members of that ethnic minority community in program planning.

The participation of parents in respect to child care outside the child's own home has also been mentioned. It is a factor that can and should have an important effect on the quality of care provided. Many child care centres have parents either on their boards of directors or on advisory committees. Parents have the ultimate responsibility for young children and are in the best position to monitor the kind and quality of care that their children are receiving. The Task Force does not mean to suggest, however, that an already over-burdened mother or father must necessarily take an active part in running their child's child care centre. What we wish to emphasize is that parents in general have an important role to play with respect to non-parental child care.

Finally, stability of the arrangement is a significant quality concern. Viewed over the long term, frequent changes in child care arrangements are very upsetting for children and parents. Indeed, this was a major concern expressed by parents in their letters to the Task Force. Many parents described situations in which caregivers, usually in the informal sector, suddenly quit, leaving them to scramble for a new arrangement.

> *I have had wonderful sitters and I have had ones that set my child back months in her development. I have had ones that contributed greatly to my child's welfare, and one who terrified her so badly that she was afraid to stay behind even with her beloved grandmother, the latter one only lasted a couple of days. I left my job halfway through a morning, took my child out, and found someone to act as a standin for the rest of the day. I have sat down and tried to remember the names and faces of all the sitters. I cannot.*
>
> *L. Johnston*
> *Goderich, Ontario*

> *I am a single mother with a 3 1/2 year old son. My son has had everything from grandma to day care centres since I went back*

*to work when he was only 3 months old. In all, my son has had six different caretakers since that time. Why? Because it is impossible to find anything suitable.*

*M. Parker*
*London, Ontario*

*He hasn't been affected by the many different sitters, he's a well-adjusted, happy little boy. I think financially my husband and I are going to have a tough time without my salary and two children, mortgage payments, etc., etc. But at least I have the comfort of knowing that I'm not going to quit on me one day.*

*L. White*
*North Delta, B.C.*

In centres, poor-quality care is frequently associated with a high staff turnover rate. Stability in the assignment of a particular caregiver to a small number of children has been advised in the child development literature, especially for infants and toddlers. The importance of stability in caregiver-child relationships in a care setting is thought to be especially pronounced when the home environment is unstable.

## ISSUES IN IMPLEMENTING QUALITY CHILD CARE

It should be emphasized that implementing quality is not just a theoretical problem of how a set of esoteric criteria should be applied, to result in the development of model child care programs. It is, rather, one of vital concern, for both practical experience and recent studies have indicated that the quality of care provided in some settings may be not only inadequate, but detrimental to the well-being of young children.

Provision of quality child care services is a goal shared by governments, parents, child care workers and academics in the field. Implementing and sustaining good standards is a complex task. Because of the number of factors that contribute to the development of quality, it is important to recognize that no single approach will alone be sufficient to achieve this objective. There are a variety of approaches or mechanisms — some well established in Canada, some yet to be fully developed — which will assist in meeting the objective of providing quality child care. The sections that follow will examine some of the major mechanisms important for reaching this goal. These factors are interdependent; quality will result from a combination of several strategies used to maximize their beneficial effects.

## MECHANISMS FOR IMPLEMENTATION

### Licensing and Standards

One of the essential mechanisms for the implementation of quality care is legislation that sets standards for licensing child care services. Centres may not operate without a licence; to obtain it they must meet the minimum standards. By definition, standards set out in provincial or territorial legislation are minimums and, of necessity, regulate only quantifiable criteria. Parents should be aware that the fact that a centre meets these standards is no guarantee that it will provide a good child care experience for their children.

Direct licensing of family child care homes is problematic. Because of the large number of homes involved and high rates of turnover, administrative and regulatory costs are high. As a result, resources allocated by government for supervision of these homes are sometimes inadequate to guarantee that even minimum safety standards are met. For this reason, a number of provinces in Canada require that homes be supervised by a licensed agency. Some states in the U.S., on the other hand, have adopted the approach of registering family child care homes, rather than licensing them, an approach that has not been adopted in Canada.[16]

## Enforcement and Monitoring of Licensing Standards

No legislation can be effective without provisions for enforcement. Monitoring, through visits of inspectors to child care facilities, is the usual way in which this is accomplished, and continuation of a licence is made conditional upon compliance with the standards specified in the legislation.

Child care facilities are affected by a number of other regulatory statutes as well; co-ordination and co-operation among these is an integral part of monitoring and enforcement. Fire regulations may come under municipal jurisdiction, standards for child care facilities may be under a different provincial department than are health standards, and standards for training in early childhood education may be determined primarily by the university or college providing the courses under the general direction of a provincial department of education.

## Fiscal Regulations

A government or funding agency may contribute to the development of quality care by requiring that only centres or child care homes meeting certain criteria will be eligible to receive funding.

## Professional Standards and Educational Requirements

Another approach to the maintenance of standards, which applies to other occupations, is credentializing, which recognizes the competency derived from specific education and training. Different levels of credentials may be recommended or required for supervisory staff, child care centre staff, and family home caregivers. Certification of competence can be offered through post-secondary educational institutions or professional associations.

The availability and quality of educational and training programs for all levels of personnel in the child care field is an important factor to examine. Post-secondary programs related to early childhood education and child care are available, most commonly, through one- or two-year community college programs. Extension courses are not well developed. By and large, standards for what constitutes adequate education or training are defined by the institution providing the training.

The total picture that emerges is one of limited opportunities for undergraduate education, continuing education and upgrading for practitioners in the field. Limited graduate programs have provided competent people to fill professional positions such as provincial early childhood consultants, administrators of child care agencies, instructors in community colleges and universities, and policy analysts at the provincial and federal levels, but have resulted in very limited research on child care being undertaken in Canada to the present.

## Professional Associations

In Canada there have been a number of efforts to bring child care workers together in peer associations to share knowledge, to provide mutual support, to enhance professional status and to win public recognition, as well as to advocate for better-quality care. Efforts are currently underway to develop a new national network to serve these purposes.

As yet, there have been few home caregiver associations formed in Canada. In Manitoba, a self-help organization has been formed, based on a model developed by groups in the United States. The Manitoba group, called WATCH, provides a range of support services to its members, including training workshops, a toy-lending library, networking, cooperative purchasing of insurance, and advice on menu planning and budgeting.[17] These are important developments, which will play a role in the maintenance of standards as well as providing support and information for those working in the field.

## Support Services and Specialized Resources

Those family homes that are affiliated with an agency do receive support services from the agency that sponsors them, but similar services are not available for most family homes, particularly in the unlicensed sector. Such services include arrangements for a library of toys and special equipment, counselling services, and itinerant workers with up-to-date primary prevention skills, who can deal with a broad range of special-needs children and families with special problems. This kind of support is particularly important for the caregiver who works alone rather than in a centre.

Community-based resources or support programs are also beginning to be developed, which provide programs such as child care registries, information and referral services, toy-lending libraries, parent-child centres, drop-in centres, parenting classes and so on. These programs operate in various ways to promote community awareness of child care and to enhance consumer consciousness about how to choose quality child care arrangements.

## Public Information

Public information programs, whether sponsored by professional organizations or government, can contribute to provision of quality care by providing parents with information on child care alternatives and the components of quality care. Parents can be very effective monitors of quality when provided with the necessary information and consumer consciousness.

### Availability, Affordability

It is perhaps obvious that access to quality care is dependent on the availability and affordability of spaces that meet quality criteria. These two factors, while not, strictly speaking, components of quality care, are nevertheless critical. If the spaces are not available or the cost is too high, many parents will have to continue to make do with inferior care because they have no alternative.

## CONCLUSIONS: IMPLEMENTING QUALITY

As we have seen, a number of measures working together will promote the development of quality child care. Effective implementation of these strategies requires the collaboration of parents, child care providers and governments.

Provincial and territorial governments have responsibility for licensing standards and their enforcement. This is as it should be. There are, we believe, some rather compelling reasons for this, leaving aside the niceties of constitutionally defined jurisdictions.[18] Firstly, child care services do not exist in a vacuum; they exist in a context of various social, educational, health, and welfare services which, by and large, are delivered by this level of government. Secondly, provincial and territorial governments are more aware of local and regional differences and requirements, and thus better able than the federal government to tailor child care services to meet these needs. In addition, this level of government is closer to the families using the services, and more likely to be responsive to parental involvement in regulating quality of care and in delivery of such services.

For a number of years, advocates of child care reform, concerned about the quality of care provided to Canadian children, have recommended that the federal government develop national standards for child care. This we consider to be inappropriate, for constitutional and practical reasons. We will return to this issue in more detail in Part III.

On the other hand, as this discussion attests, quality in child care arrangements cannot be assured by regulatory standards alone. A role in the promotion of good child care may well be open to the federal government in the form of public information programs for users, training and development of child care workers, and the development of professional associations, subjects to which we will return to in Part III of this report.

Health and Welfare Canada, Public Affairs Directorate

Health and Welfare Canada, Public Affairs Directorate

# 7

# Licensed Care: What Is It?

## INTRODUCTION

THE PREVIOUS CHAPTER outlined the parameters of good child care. This chapter will review current provincial and territorial licensing standards and their enforcement, with a view to demonstrating the extent to which these standards are synonymous with good care. Although standards may serve other functions, they are based on a concern for the welfare of children, and have, as their primary objective, satisfying their needs for safety as well as their needs for growth and development. Standards may also define the caregivers' working conditions, and through requirements for staffing and qualifications, provide opportunities and incentives for professional development.

The Northwest Territories is the only jurisdiction that has not legislated standards and licensing procedures. In practice, however, some centres and family child care homes in the Northwest Territories are subject to supervision. Centres and family child care homes are inspected by social workers and approved at their discretion for the purposes of subsidy programs. Also, the YWCA in Yellowknife acts as a family child care home agency and supervises home caregivers there in line with regulations for family day homes in Alberta. Child care centres in the Northwest Territories are self-policing, but must comply with the fire code and building standards. Standards are becoming an issue in the Northwest Territories, although child care professionals there recognize that any standards developed must be suitable for both Yellowknife and small, isolated communities and must be sensitive to the cultural values of the native peoples of the North.

Licensing is handled by the departments responsible for social services in Yukon and in all provinces except British Columbia, where the Ministry of Health is responsible for standards and the Ministry of Human Resources administers subsidies. Five jurisdictions (Nova Scotia, Quebec, Ontario, Manitoba and Yukon) have enacted legislation specifically concerned with child care. In the other jurisdictions, child care is subsumed under social services legislation. Child care regulations and policy are also found in procedure manuals and other guides in some jurisdictions.

The legislative and administrative framework for child care yields a tremendous variety of services and standards. Inter-provincial comparison of standards is difficult because each province employs different criteria to define categories of care and sets different standards for each category. For the sake of simplicity, this discussion will focus on regulations concerning child care centres (in general, facilities that provide care for five or more children outside a private home) and family child care homes (facilities that, in general, care for five or fewer children in a private home). It should be noted, however, that provinces define other categories of care based on such criteria as number of hours each day that care is provided and numbers of children allowed in the facility.

Regulations concerning child care centres and family child care homes are presented separately here because of the inherent differences in staff, facilities, and program requirements — in short, because of the different types of child care they offer. In each case, the discussion focuses on standards set in those areas most directly influencing quality care. The key indicators identified in Chapter 6 were:

(1) caregiver:child composition (adult:child ratios and group size);
(2) training related to child development and care;
(3) parent involvement; and
(4) in centres, space that is adequately designed and equipped; in homes, on-going support and supervision.

In this chapter, we will review existing provincial and territorial standards for centres and family child care homes with respect to the four areas listed above, and will conclude with a discussion of how standards are enforced.

## STANDARDS FOR CHILD CARE CENTRES

Adult:child ratios, group size, staff qualifications, and physical environment have been identified as the factors that contribute most significantly to the quality of care in child care centres. The first three factors are closely inter-related, and standards in these areas are best considered together rather than separately. However, differences among the jurisdictions preclude comparison of standards for all three factors in combination. Therefore, ratios and staff qualifications will be considered separately. Because many jurisdictions specify adult:child ratios with reference to group size, this factor will be considered in the context of ratios.

Standards affect the cost of care provided, as well as its quality. Because child care is labour-intensive, the number of staff and their salary levels have a major effect on the cost of care in centres.

### Adult:Child Ratios

Figure 7.1 shows the adult:child ratios required by provincial governments and Yukon for children under the age of five attending full-day programs, and ratios for school-aged children attending programs outside school hours or when school is not in session.

## FIGURE 7.1

## Staff: Child Ratios Required in Child Care Centres

Age of Child

| Province | Birth | 1 | 1.5 | 2 | 2.5 | 3 | 4 | 5 | 6 | 7 | 8 9-12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Newfoundland[a] | ▨ | | | 1:6 | | 1:8 | | | | 1:15 | |
| New Brunswick | 1:3 | | | 1:5 | | 1:7 | 1:10 | 1:12 | 1:15 | | |
| Prince Edward Island[b] | 1:3 | | | 1:5 | | 1:10 | | 1:12 | | 1:15 | |
| Nova Scotia | 1:7 | | | | | | | 1:15 | | | |
| Quebec[c] | 1:5 | | 1:8 | | | | | 1:8/1:15 | 1:15 | | |
| Ontario | 3:10 | | 1:5 | | 1:8 | | | 1:12 | 1:15 | | |
| Manitoba[d] | 1:3 | 1:4 | | 1:6 | | 1:8 | 1:9 | 1:10 | 1:15 | | |
| Saskatchewan[e] | ▨ | | 1:5 | | 1:10 | | | 1:10/1:15 | 1:15 | | |
| Alberta[f] | 1:3 | | 1:5 | | | 1:8 | | 1:10 | | | |
| British Columbia | ▨ | | 1:4 | | | 1:8 | | | 1:10 | 1:15 | |
| Yukon[g] | 1:6 | | | 1:8 | | | | | | | |

**Notes:** Figure 7.1 allows the reader to compare ratios for any age group by reading down the column formed in the interval between each year of age. For example, the ratios set for care of three-year-olds can be observed in the column between age three and age four on the Figure, and can be read as 1:8 in Newfoundland, 1:7 in New Brunswick, 1:10 in Prince Edward Island, and so on.

[a] Children under two are not permitted in day care centres in Newfoundland.

[b] Prince Edward Island also sets ratios for groups of children of mixed ages which complement the ratios presented above.

[c] Quebec legislation allows a ratio of 1:8 for children 18 months and older not attending kindergarten or elementary school; and 1:15 for children 18 months and older attending kindergarten or elementary school.

[d] In Manitoba, children under 12 weeks of age cannot be accepted in a day care centre without the prior approval of the director of child day care services. Manitoba also has ratios for mixed age groups, which complement the ratios presented here.

[e] Saskatchewan does not allow children under 18 months in day care centres. A 1:10 ratio is set for children under seven; a 1:15 ratio is set for children age five to 12 years attending school.

[f] Alberta regulations (The Social Care Facilities Act, Day Care Regulations, 1981) do not include care of children six years of age and older. Municipalities are responsible for before- and after-school programs for this age group. Although standards vary, many municipalities have adopted a 1:14 ratio for child care centres and other facilities offering such programs.

[g] The Yukon government is in the process of revising standards for day care centres. The proposed standards set a staff:child ratio of 1:4 for children under two, 1:6 for children aged two to four, and 1:8 for children aged four to 12. Present regulations on ratios do not apply to the care of children six and older.

As discussed in Chapter 6, generally accepted ratios for good infant care range from 1:2 to 1:4. Of the eight jurisdictions that license centres for children under one year,[1] five have minimum standards that fall within this range (New Brunswick, Prince Edward Island, Manitoba, Alberta and Ontario). The three remaining jurisdictions (Nova Scotia, Quebec and Yukon) allow ratios of 1:5 or more; this represents a poorer adult:child ratio than is recognized to be acceptable for infant care.

For children aged two to five years, accepted ratios for quality care range from 1:4 to 1:10, depending on group size and age-mix of children. Ratios for children aged two to four years in all jurisdictions fall within this generally accepted range. For five-year-olds, however, minimum standards in four jurisdictions fall short of meeting the 1:10 ratio (New Brunswick, Prince Edward Island, Nova Scotia and Ontario).

All of the nine jurisdictions for which ratios for school-aged children were available required a 1:15 ratio. This exceeds the staff:child ratios of 1:10 to 1:12 recommended for children aged five to eight by the prestigious American organization, the National Association for the Education of Young Children.

## Group Size

Group size refers to the number of children cared for together by a staff member or team of staff members in a defined physical area. Children in a group may be of the same age, or of different ages. Older children may be cared for in larger groups than are younger children, with more children per staff member. For three- and four-year-olds, group sizes between 14 and 20, with corresponding staff:child ratios of 1:7 to 1:10 are thought to be consistent with good care. For children aged 18 months to 35 months, groups of six to 10 are recommended, with ratios of 1:3 to 1:5. For children of all ages, smaller groups are preferred, since a smaller group of children permits more individualized attention.

Figure 7.2 shows group sizes and child:staff ratios in the five jurisdictions that set group sizes (New Brunswick, Ontario, Manitoba, Alberta and British Columbia). Some of the other jurisdictions set other types of standards which, in effect, limit the number of children that can be cared for in a group. For example, Nova Scotia standards allow no more than 25 children in one room. Similarly, Quebec allows a maximum of 15 children under 18 months in one room, and a maximum of 30 children 18 months and older in one room. Prince Edward Island limits the number of children in each age group allowed in a centre. For example, no more than three children under two are allowed in a centre with fewer than 35 children and no more than 10 two-year-olds, 30 three- and four-year-olds and 36 five- and six-year-olds are allowed in a centre.

Of those provinces that specifically address group size, Alberta and Manitoba have standards for children under six that fall within the accepted ranges for group size and child:staff ratios presented in Chapter 6. New Brunswick comes close to the accepted standards; with a group size of nine for children under two, it exceeds the recommended group size of six. Minimum standards in the other jurisdictions exceed accepted ranges to varying degrees.

For children six and over, the prevailing standard in Canada appears to be a 1:15 ratio and a group size of 30 or more, with some exceptions. As indicated in Chapter 6, the recommended range for children aged five to eight has as its upper limit a group size of 24 with a 1:12 ratio.

## Staff Qualifications

Caregiver qualification is an important ingredient of good care. Child care experts agree that specialized training related to child development and early childhood education should be a requisite for at least part of the staff of a child care centre.

As shown in Figure 7.3, in some jurisdictions the legislation sets specific requirements for supervisory staff only, separate requirements for supervisory and non-supervisory staff, or general requirements applying to both. Requirements for education or experience for non-supervisory staff or staff in general usually stipulate that only a portion of the staff must be qualified. The provinces vary considerably in the precision used to define educational qualifications. Several require completion of an approved program and most have developed procedures for assessing equivalent qualifications. In some jurisdictions, as well, the provincial director of day care has the authority to approve workers' qualifications.

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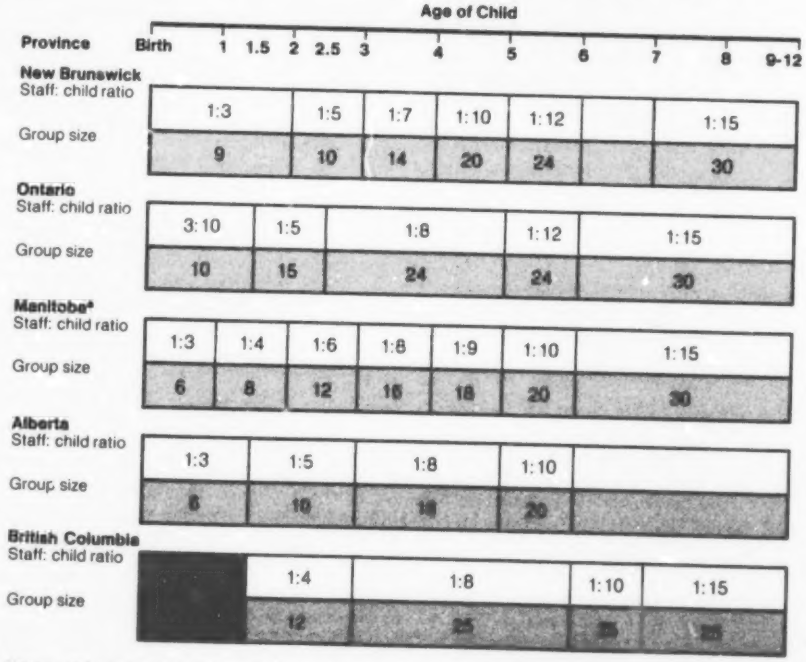
**FIGURE 7.2**

**Staff: Child Ratios and Group Sizes in Child Care Centres**



**Notes:** *Manitoba also sets group sizes for mixed age groups, as follows: 12 weeks to two years, group size of eight; two years to five years, group size of 16; six years to 12 years, group size of 20.

## FIGURE 7.3

### Provincial/Territorial Requirements for Child Care Centre Staff Qualifications

| | British Columbia[a] | Alberta[b] | Saskatchewan[c] | Manitoba[d] | Ontario[e] | Quebec[f] | New Brunswick[g] | Nova Scotia[h] | Prince Edward Island[i] | Newfoundland[j] | Yukon[k] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. Training in child care and experience** | A | | | A | A | | | | | | |
| **2. Training in child care or equivalent** | | | A/B | C | C | | | A/C | | A | |
| **3. Training in child care or experience** | | | | | | D | | | | | |
| **4. Personal attributes** | | | | | | | B | | B | B | B |

**Notes:** A Required for supervisory staff
B Required for all non-supervisory staff
C Required for some non-supervisory staff
D Required for some staff (no distinction between supervisors and staff)

[a] In British Columbia, four categories of supervisors are defined. As a minimum, each requires one year of E.C.E. training, followed by 500 hours of work experience and registration with the Child Care Facilities Board. Specialized training allows a supervisor to be qualified as a supervisor of children under three or children with special needs. Additional experience qualifies a senior supervisor.

[b] Alberta legislation does not include training, experience or personal requirements for centre staff or supervisors.

[c] All staff hired after January 1978 in Saskatchewan are to have training programs for day care workers as prescribed and by a date fixed by the Director of day care services, as a condition of continuing employment.

[d] In Manitoba, directors of full-time centres must have a diploma, degree or advanced certificate program, or equivalent, in an area relevant to the ages and the needs of the children in the centre, plus at least one year of experience. By October 31, 1986, one-third of staff must have completed, as a minimum, an approved certificate program or equivalent, increasing to two-thirds of staff by October 31, 1988. By that date, one worker for each group of children must have completed the minimum requirement. The education requirement includes a one-year college certificate in E.C.E., or a B.A. in psychology, sociology, or nursing.

[e] Supervisors in Ontario must have an approved E.C.E. course or equivalent plus two years experience plus approval by the Director designated under the Day Nurseries Act. One worker per group of children must have completed an E.C.E. program or equivalent.

[f] In Quebec, one of every three staff is required to have a diploma, certificate or degree in day care science or related field, or three years of experience. By 1988, persons qualified by experience must also have a certificate in day care study.

[g] Personal attributes in New Brunswick include ability to understand children's needs and willingness to undertake training.

[h] Nova Scotia requires the administrative officer and one-third of staff to have completed an approved training program in E.C.E. or its equivalent by April 1987; increasing to two-thirds staff by April 1989. Equivalent qualifications include two years of experience plus a one-credit post-secondary course plus 25 hours of workshops.

[i] Prince Edward Island requires all staff to be capable of caring for children. Regulations requiring operators to haver a combination of training in early childhood development and experience by January 1987 have been proposed, but not adopted, prior to our publication date. By January 1990, one other staff member must also be qualified by education and experience.

[j] Newfoundland's Day Care and Homemaker Services Board requires operators applying for a new licence to meet a training requirement as a condition of licensing. The minimum requirement is completion of a 45-week E.C.E. program offered in the province, or its equivalent in terms of training and experience. The province is examining options for requiring licensed operators to meet the training requirements as a condition of licence renewal, and options for phasing in a training requirement for staff.

[k] Yukon requirements for all staff include awareness of early childhood development and ability to communicate with children. Proposed revisions to the legislation include a schedule for phasing in a requirement for E.C.E. training for staff.

All but three jurisdictions (Alberta, New Brunswick and Yukon) require child care education for supervisors and/or a portion of centre staff, or are in the process of phasing in an education requirement. Yukon is currently reviewing requirements for staff training, however, and is in the process of developing changes to its legislation.

Only Saskatchewan requires that all child care centre staff have some training in child care. In that province, all centre staff hired after January 1978 must complete a training program for child care workers prescribed by the director of day care services; workers must complete the program at their earliest opportunity or by the date fixed by the director, as a condition of continued employment. As a minimum, workers in child care centres are required to complete an orientation-to-day-care course involving 42 hours of instruction, which is offered by community colleges in the province. Workers pursuing a one-year or a two-year college program or equivalent offered on an outreach basis need not take the minimum program.

Other provinces have varying requirements for education or experience or both for supervisors and non-supervisory staff. Three provinces (British Columbia, Manitoba and Ontario) require supervisors to have both training and experience. A combination of training and experience will also be required for supervisors in proposed regulations in Prince Edward Island.

Newfoundland requires E.C.E. training for centre operators as a condition of licensing, and is examining proposals for new training requirements for staff and operators applying for licence renewals.

Quebec now allows staff to be qualified by either education or experience, but is in the process of phasing out the qualification based on experience alone. In Quebec, one of every three staff is currently required to have a diploma, certificate or degree in day care science or a related field, or three years of experience. By 1988, persons qualified by experience only must also have a certificate in day care study.

Several provinces require training for supervisors and a portion of the staff. For example, Nova Scotia requires the administrative officer and one-third of staff to have completed a training program in early childhood education or its equivalent by April 1987, increasing to two-thirds of staff by April 1989. The regulations define *training program* in terms of programs available in the province or other programs assessed by the Director as being comparable to these. Equivalent qualifications are a grade 12 education, two years of experience, a full-credit course in a post-secondary institution in a related field, plus 25 hours of other training.

Similarly, Manitoba and Ontario also require education in child care for a portion of non-supervisory staff members, in addition to the requirement that supervisors have education and experience. In Ontario, each group of children is to have a staff person who has completed an approved program in early childhood education (or an equivalent that includes child-related studies and supervised practice) appropriate to the ages and needs of the children in the group.

In Manitoba, one-third of staff are required by October 31, 1986 to have completed, as a minimum, an approved certificate program of studies in an area relevant to the ages and needs of children for which the centre is licensed. By October 31, 1988, two-thirds of the staff will be required to meet this requirement. To assist both workers and centres to meet these new training requirements, the government of Manitoba announced in February 1985, a program that allocates $1.1 million to pay the salaries of substitute child care workers who replace trainees while they attend one or more two-week training courses. The child care centre pays the salary of its employees while they receive training. The program also pays the instructors' salaries and the child care workers' expenses for books and travel. Eight courses in child care, each requiring 30 hours of instruction, will be made available through regional offices. Workers alternate two or more weeks of training with two weeks or more of work at their jobs, until they have completed the minimum training requirement. The minimum requirement may also be obtained through a one-year college certificate program in early childhood education, a B.A. in psychology, sociology or nursing, a Montessori certificate or a teaching certificate. Program organizers estimate that about 500 of the approximately 1500 child care workers in the province will receive training through the program by the time it concludes in March 1986.

Prince Edward Island has proposed to phase in a requirement for education and experience for centre supervisors and one other staff member. The province now requires all staff to take some on-going training every two years. While training of non-supervisory staff is not a licensing requirement in Newfoundland, the provincial government, together with the Early Childhood Development Association, provides two-day training workshops for child care centre staff in several locales in the province each year.

Legislation in New Brunswick and Yukon currently sets no education requirements. However, the legislation does require that staff have personal attributes, such as the ability to communicate with children and understand their needs. In Alberta, the legislation makes no mention of staff qualifications, except that no person under 18 years of age may be solely responsible for children.

In addition to the requirements discussed above, most provinces require some or all workers to have a recognized first-aid certificate, and several require a health certificate.

## Space and Equipment

Most jurisdictions require centres to provide sufficient equipment and furnishings that are well-maintained and free of hazards, and suited to the developmental needs of children. As discussed in Chapter 6, standards for equipment are difficult to quantify, since equipment can range from expensive, purchased items to homemade toys and craft materials brought from the children's homes. Standards in this area therefore focus on requirements for indoor and outdoor space, and health and safety features.

It is generally accepted that about 3.5m² (about 35 sq. ft.) of indoor space is required for each child, as well as 7m² (about 75 sq. ft.) of outdoor space. All jurisdictions require 2.75m² (about 30 sq. ft.) of space or more for each child; in several jurisdictions, the requirement for space refers to play space, and additional space is required for sleeping or quiet activities. Outdoor space is always required, adjacent to the centre or within reasonable walking distance. Requirements range from 4m² (about 45 sq. ft.) to 7m² (about 75 sq. ft.).

All jurisdictions require centres to meet fire and public health regulations, and municipal building and zoning codes. Commonly-required provisions include posting of emergency telephone numbers; fire drills; furnishings and equipment that are "safe, well maintained, free from hazards"; reporting of communicable disease to a child's parents and the medical health officer; no-smoking regulations; and storage of hazardous products in a locked area or area inaccessible to children.

## Parental Involvement

Parents can enhance the quality of care that their children receive by participating on boards of directors and advisory committees, or otherwise becoming involved in the centre. Yukon and several provinces, including Newfoundland, New Brunswick, Ontario, Quebec and Saskatchewan, emphasize parental involvement in the operation of centres. In Saskatchewan, all centres licensed after October 1, 1982 are non-profit centres, and 50 percent of board members must be parents. New Brunswick requires a minimum of 25 per cent parents on the board of non-profit centres and all centres must have at least two information meetings a year with parents. In order to receive provincial operating and capital grants, day care centres in Quebec must be non-profit corporations with a majority of parents on the board.

## Other Standards

In addition to regulations in areas discussed above, day care legislation also addresses the following elements:

(1) *Program requirements*: Legislation in all jurisdictions addresses the need for indoor and outdoor activities suited to the developmental needs of children in order to promote their social, emotional, physical and intellectual development. Measures for integrating special-needs children are specified by New Brunswick, Prince Edward Island, Ontario, Saskatchewan and British Columbia in their regulations concerning programming, staff qualifications and staff:child ratios.

(2) *Discipline*: Regulations in most jurisdictions prohibit some forms of discipline. Regulations on discipline in New Brunswick and Manitoba prohibit, among other things, physical, emotional or verbal punishment. Prohibited measures in Prince Edward Island and Newfoundland include corporal punishment and isolation. In Ontario, depriving a child of bedding, clothing or meals is also expressly prohibited.

(3) *Nutrition*: In five provinces (New Brunswick, Nova Scotia, Ontario, Saskatchewan and British Columbia), the number of meals and snacks required is based on the hours of attendance. Others require "nutritious meals and snacks", "of adequate quantity and quality." Several provinces require that menus and meals be prepared by a knowledgeable person, and that Canada's Food Guide be followed.

## Licensed Centre Care: How Good Is It?

Licensing standards are, as indicated in Chapter 6, only one tool necessary to maintain quality in child care centres. Other contributors to quality include enforcement and monitoring of standards (discussed in a subsequent section); professional associations; and public awareness and scrutiny.

Legislated standards are, by definition, minimum requirements for a license to operate. Within any jurisdiction, the quality of care offered in individual centres will vary; some barely observe minimum requirements, and others surpass them in one or more areas.

> *So far day care has helped our little girl become a well adjusted, sociable and assertive member of society. The U of C Daycare is not doing the parenting for my husband and I, but rather enforcing the kinds of values and behaviours that we subscribe to. I only wish that all parents with children in day care could enjoy the peace of mind my husband and I share, knowing that our child is thriving in a stimulating and loving environment.*
>
> *Valerie Gray*
> *Calgary, Alberta*

> *One friend told me of her experiences of looking for acceptable child care for her young daughter in words to the effect, "While the director (of one day care centre) was busy telling us how much the staff loved children, we walked past one baby who just cried and cried with no staff anywhere in sight, and past another staff member yelling at a two-year-old. And I mean* really *ripping into the kid. . . We had to look a long, long time to find a good day care."*
>
> *Pat Palmer*
> *Edmonton, Alberta*

By way of general assessment, the minimum standards set out in provincial and territorial legislation in Canada are sufficient to provide good care for children enrolled in these programs. Two areas of concern that remain are:

(1) staff:child ratios for infant care, where these exceed recommended 1:3 or acceptable 1:4 ratios; and

(2) provisions for staff training in some provinces.

Because quality criteria are interdependent, standards in each of the key areas affect the overall quality of care offered in licensed centres.

Thus, for example, the advantages of a well designed play space, a planned program and optimal staff:child ratios may well be defeated if the staff who interact with the children on a daily basis lack essential understanding of child development and behaviour. Similarly, no matter how well equipped a centre might be or how well trained the caregivers, a 6-month-old infant who must compete with five or six others is unlikely to receive the individual attention needed to foster development at this stage.

## LICENSED FAMILY CHILD CARE HOMES

As was seen in Chapter 3, the majority of Canadian children are cared for in private homes. Most of these homes are not licensed, and except for parental assessment, they are not subject to any screening, approval or monitoring procedures. While nine jurisdictions[2] have made provision for the licensing of family child care homes directly by the province or by a licensed agency authorized to perform this function, provincial requirements and control vary quite considerably. In New Brunswick, although enabling legislation exists, no family homes have been licensed.[3] The Nova Scotia government, on the other hand, has authorized the operation of two agencies, which supervise family homes, without enacting new legislation specific to family homes.

In some provinces homes are licensed directly by the province, while in other provinces, they are approved by an agency authorized to perform this function. Agencies supervise family child care homes in Ontario, Quebec, Alberta and Nova Scotia.

In Ontario and Alberta, agencies are responsible for screening homes and ensuring compliance with provincial standards. Uniform standards are set for all homes in relation to programming, nutrition, health care and safety. As well, the agencies are required to provide training and other services to their home providers, according to provincial requirements. In Quebec, agencies operate in a somewhat different manner. The province does not set uniform requirements for the agencies and child care homes. Rather, an agency presents provincial officials with a proposal describing how the agency intends to operate, including such aspects as the selection process for child care homes, education and training to be made available to caregivers, and procedures for home visits. Once the provincial officials are satisfied with the proposal, the agency is given a permit.

The maximum number of children permitted in a facility without a licence is in the range of three to five children in most jurisdictions, as shown in Table 7.1. Quebec is the exception, allowing a maximum of nine children in an unlicensed home. (Although only four are allowed in a licensed home with a single adult, a home with more than nine children is considered a centre and must meet the licensing requirements for a centre.)

Most jurisdictions that license family homes permit a maximum of five to eight children in a licensed or approved home. These maximums usually include the caregiver's own children. Facilities caring for more than the permitted number of children must be licensed as a child care centre, or, in Prince Edward Island and Manitoba, as a group day care home.

Legislation in Ontario, Quebec and Nova Scotia requires that once a caregiver accepts more than a specified number of children for care (five

## TABLE 7.1

## Licensed Family Child Care Home Regulations, by Province and Territory, 1985

| Province | Classification of Homes | Maximum Number of Children Permitted in a Licensed Home[a] | Maximum Number of Children Permitted Without a Licence |
|---|---|---|---|
| **Newfoundland** | None in legislation | | 4* |
| **Prince Edward Island[b]** | Group day care homes<br>Family day care homes | 12<br>6 | 5 |
| **Nova Scotia[c]** | None in legislation | 3 | 3* |
| | Two non-profit groups are allowed to provided family day care homes | | |
| **New Brunswick[d]** | Community day care homes | 5 (aged 2 to 5) | Depends on age — no more than 4 aged two to five |
| | Family day care homes | 4 (aged 2 to 5) | |
| **Quebec[e]** | Home day care | 4 — 1 adult<br>9 — 2 adults | 9* |
| **Ontario[f]** | Private home day care | 5 (under age 6) | 5* |
| **Manitoba[g]** | Group day care home | 12 | 4 |
| | Family day care home | 8 (no more than 5 under age 6) | |
| | Private home day care | 4 | |
| **Saskatchewan** | Family day care home | 8 (no more than 5 under age 7) | 4 |
| **Alberta[h]** | Family day care home | 6 under age 6 | 3 |
| | Satellite family day home | 5 under age 6 | |
| **British Columbia** | Family day care home | 7 (no more than 5 under age 6) | 2 |
| **Yukon[i]** | Family day home service | 6 | 3 |

**Source:** Information assembled from Acts. Regulations and policy manuals in each jurisdiction.

**Notes:** *Day care centre licence required beyond this maximum. These jurisdictions have either no provision in legislation for day homes, or provide for day homes but licences are optional.

[a] Maximum number permitted in home usually includes the caregiver's own children.

[b] Prince Edward Island has eight family day care homes and no group day care homes.

[c] In Nova Scotia, two incorporated non-profit organizations provide a family day care home service, and spaces in these homes are eligible for subsidy. The organizations, which supervise 40 to 50 day homes in Sackville and Digby County, operate in a manner similar to that of family day care home agencies in other provinces.

[d] In New Brunswick, no homes have been licensed under the category of family day care homes since enactment of the legislation in 1983; however, community day care homes require only a certificate of approval, and the province had 14 of these homes by August 1985. The number of children allowed in these homes is as follows: three children under age two; or five children aged two to five; or nine children aged six and over; or six children aged five and under and six and over.

[e] Affiliation with an agency is optional in Quebec, but required if the family is to receive subsidy. Up to nine children may be cared for in an unregulated home; homes affiliated with an agency may have up to four children if one adult is present, and up to nine children if two adults are present.

[f] Ontario licenses agencies, not individual homes. Affiliation with an agency is optional for homes with five or fewer children; a centre licence is required to care for five or more children.

[g] Few homes in Manitoba are licensed as group day care homes; most are licensed as family day care homes. Licences are not required for private home day care, but if a licence is obtained, the home is eligible for provincial subsidy. Applicants in such cases are encouraged to seek a licence for a family day care home, since licensed private homes must conform to regulations for family day care homes.

[h] Almost all family day care homes in Alberta operate as satellite family day homes supervised by agencies that have signed agreements with the province to provide this service.

[i] There are three licensed day homes in the Yukon. Legislation concerning day homes is now being revised.

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in Ontario; nine in Quebec; three in Nova Scotia), a child care centre licence is required; affiliation with a licensed agency is always optional in these provinces. In Newfoundland, no licensing provisions exist for family home care; a child care centre licence must be obtained to care for more than four children. The Northwest Territories has no licensing requirements for family homes or centres.

In the other jurisdictions, family home caregivers are required to obtain a family child care home licence once the number of children in the home exceeds a specified number (varying from two in British Columbia to five in Prince Edward Island), and must obtain a licence as a child care centre once the number of children exceeds a second limit (from five in Alberta and New Brunswick, to eight in Manitoba and Saskatchewan).

Prince Edward Island and Manitoba allow group day care homes caring for up to 12 children with a staff of two. The group homes offer a licensed care alternative for rural areas and other areas where day care centres are not feasible. They are also believed to provide an attractive alternative for ethnic communities wishing to offer special programs. In practice, very few group homes exist; there are none in Prince Edward Island, and only four in rural Manitoba. Manitoba licensing officials found that the licensing requirements set for group homes, together with low financial returns for caregivers, have inhibited proliferation of these group homes. As mentioned earlier, Quebec regulations permit a group home arrangement, but affiliation with a licensed agency is not required for these homes.

As discussed in Chapter 6, the following factors have been identified with provision of quality care in family home child care:

(1) caregiver:child composition
    —number of children in the home
    —age-mix of children;

(2) training related to child care and development and personal characteristics;
(3) sponsorship;
(4) parent involvement.

## Caregiver:Child Composition

### Number of Children in the Home

This factor, comparable to staff:child ratios and group size factors in child care centres, affects quality in that fewer children in the home can result in more stimulating, individual attention being given to each child. As shown in Table 7.1, the maximum number of children (including the caregiver's own children) that can be cared for by one caregiver in licensed or approved homes is in the range of five to eight children in most jurisdictions, with the exception of Nova Scotia, which allows a maximum of three children, and Quebec, which allows a maximum of four children to one adult or nine children with two adults. Those provinces allowing more than six children stipulate that no more than five should be below school age. Thus, all jurisdictions allow a maximum of only five or six preschoolers with a single caregiver in a licensed family home.

### The Age-Mix of Children

In addition to limiting the number of preschoolers in family child care homes, most jurisdictions also limit the number of children in each age group. For example, Alberta allows no more than three children under age three or two under age two, within the allowed number of five preschoolers in family child care homes. Similarly, in Ontario a family home may have no more than five children under six years of age, including no more than two handicapped children, two children aged two years and under, or three children aged three years and under.

Although research results are inconclusive, mixing toddlers, preschoolers and school-aged children in a home may result in a decrease in one-to-one interactions between the caregiver and the toddlers. Existing regulations may encourage an age-mix in family home child care, but they do limit the number of very young children in each home.

## Training in Child Care and Personal Characteristics of Caregivers

Training opportunities for family home providers are promoted in legislation and regulations in many jurisdictions. However, in no jurisdiction is this training compulsory or a prerequisite to obtaining a licence, although Manitoba regulations allow licensing authorities to require training as a condition of licence renewal. Training courses may be offered by family home child care agencies, community colleges, adult education programs, and family child care home associations. Provincial day care officials in some provinces play a direct role: for example, in Manitoba, day care coordinators hold monthly meetings with licensed day home providers in central and regional offices, and these meetings are often used for seminars, workshops and guest speakers.

The four provinces with agency-sponsored child care homes (Nova Scotia, Quebec, Ontario and Alberta) require the agencies to provide training opportunities for caregivers. Ontario has the most specific requirements, in that agencies must prepare an annual plan for the training needs of each caregiver. In other jursidictions, agencies are required to make training available, and in all four jurisdictions, agency staff themselves must be qualified in child care or early childhood education.

Regulations in Manitoba allow licensing authorities to require training as a condition of licence renewal. In practice, caregivers are assessed when they initially apply for a licence and when licences are due for renewal. If a caregiver is found deficient in an area, the day care co-ordinator suggests an appropriate course or workshop, and the caregiver voluntarily undertakes the training.

Other provinces are also becoming active in the area of training. For example, Prince Edward Island has proposed a minimum requirement of 25 hours of early childhood education for caregivers. In Saskatchewan, the Family Day Care Home Association and the provincial Social Services Department initiated a program April 1, 1985, geared to assessing the training needs of individual caregivers and providing training tailored to individuals or small groups. Participation in the program is voluntary.

We saw in Chapter 6 that caregivers' role identification is a major factor in the quality of care provided, and that this, in turn, is influenced by related training and agency affiliation. In addition, attributes such as good verbal ability, energy, warmth, openness and flexibility have been associated with provision of quality care. Personal attributes such as "ability to communicate with children" are the only qualifications required of caregivers in the legislation and regulations set in some jurisdictions.

Most jurisdictions require a personal assessment of the caregiver either by the family child care home agency or other sponsoring body, or by provincial officials responsible for licensing homes. Procedures for assessment vary from one jurisdiction to another. Providers are assessed at the time they apply for licence or affiliation. Some jurisdictions set a minimum age and may require character references, a health certificate, and first aid training.

## Sponsorship of Family Child Care Homes

In Chapter 6 reference was made to studies that found that agency-sponsored family child care homes provide better-quality care than either unsupervised licensed homes or unlicensed homes. Several factors contribute to quality in the sponsored home, including caregivers' perception of their roles, and provision of support services by the agency. In addition to training, agencies visit the home regularly and may provide caregivers with advice and support, access to toy libraries, equipment on loan, and other services. Agency-sponsored family child care is found in Alberta, Ontario, Quebec and Nova Scotia. Agency-sponsored homes in Alberta are visited at least once a month, and in Ontario at least once every three months.

Some of these services may be available to family home child care providers in other provinces through arrangements similar to agency sponsorship. For example, regulations in Prince Edward Island encourage family child care homes to affiliate with licensed centres. Under a program started in 1985 in Prince Edward Island, 24 new family child care homes were licensed, primarily for the care of infants, under a satellite arrangement involving sponsorship by a licensed child care centre. Although the homes are licensed directly by the provincial government, they receive weekly visits by a member of the centre staff, and the home operator and children in her care may participate in field trips and other activities organized by the centre. Nova Scotia allows licensed centres to supervise up to three satellite family child care homes; most of the 12 homes operating under this program are in rural areas.[4]

In some other provinces, homes licensed directly by the province receive levels of support similar to agency-sponsored homes. In Manitoba, for example, operators of homes licensed directly by the province may attend monthly meetings for group discussion and training. An annual grant of $175 per space is also available for play materials, training courses and expenditures related to safety (i.e., smoke detectors, first aid kits). Home visits by day care coordinators are required four times each year and are usually made six times a year.

In general, however, it would appear that sponsored homes are assured of more support than that received by licensed homes in those jurisdictions licensing homes directly. Whereas support to sponsored homes is required in detailed regulations governing the agencies, support directly to licensed homes varies greatly from one jurisdiction to another. Requirements are minimal in some cases, and in practice, support to home caregivers becomes a function of staff availability and budgets, a subject that will be discussed in more detail later in this chapter.

### Other Requirements for Family Child Care Homes

Most jurisdictions have health and safety requirements for family home child care. Regulations may also address such elements as programming, nutrition, discipline and equipment. Detailed guidelines are provided on these subjects, in jurisdictions requiring agency sponsorship.

### Quality of Care in Licensed Family Child Care Homes

In the absence of empirical evidence comparing quality of care in licensed homes with that in unlicensed homes, it is difficult to draw a definite conclusion that care in licensed homes is better than care that is not subject to government regulation. However, there are a number of factors that contribute to the quality of care in licensed homes:

(1) caregivers' perception of their roles;
(2) the support these caregivers receive from their sponsoring organizations, which can enhance the functioning of the caregivers and the delivery of stimulating programs;
(3) the training received by caregivers, which can improve their understanding and treatment of children; and
(4) stability and consistency of care, in that licensed caregivers are less likely to quit at short notice.

## MINIMUM STANDARDS IN UNLICENSED CARE ARRANGEMENTS

Legislation and regulations concerning child care facilities in all jurisdictions allow the continued existence of private arrangements for child care in the caregiver's home or the child's home. Although a licence is required to operate a facility defined as a *child care centre* in the jurisdiction, licences for family child care homes are optional in some provinces, and no licence is required in any jurisdiction where the number of children being cared for is fewer than the number used to define *family child care home*.

Unlicensed or informal child care is, however, subject to provisions in provincial child welfare and child protection legislation, and the Criminal Code of Canada. Provincial legislation establishes criteria to determine when a child is "in need of protection", and procedures under which government officials intervene on behalf of such a child. The safety and well-being of the child are the primary considerations. Situations where the state will intervene are stated in general terms in the legislation, and courts are given wide discretion to determine the degree of intervention required. Some situations in which a child is considered to be in need of protection include, if s/he is:

- abandoned;
- not properly cared for;
- living in an unfit or improper place;
- deprived of necessary medical treatment;
- deprived of affection;
- in the charge of a person whose conduct may endanger the child's life, health or morals.

Children placed in a grossly inadequate care situation or left unattended could be found to be in need of protection. However, the law is premised on the concept of parental right to control and custody of their children, and the state is reluctant to intervene in private family matters. Child welfare agencies are charged with responsibility to enforce the legislation, but are usually equipped with few resources to do so. The legislation also addresses itself primarily to situations in which children are in need of protection against their own parents. Thus, if parents consent to abuse or neglect of a child by a hired caregiver, the usual remedies of family supervision or removal of the child to a foster home apply. However, when parents on their own initiative, or on advice by child welfare authorities, remove their child from an unsuitable care arrangement, child welfare legislation does not provide the means for subsequent scrutiny to ensure that the caregiver does not take new children into her care, unless she has been formally charged. Child abuse registries, which have been established in most provinces, are not accessible to parents seeking to screen a potential caregiver.

The Criminal Code of Canada also incorporates certain requirements aimed at the protection of children. It is an offence for a person responsible for a child under 16 to fail to provide the child with necessaries of life (s.197) or to abandon a child under the age of 10 (s.200). However, such acts must be wilful and deliberate in order to result in a criminal conviction. In extreme cases, the offences of causing death or bodily harm by criminal negligence (ss.203 and 204) may apply. In practice, criminal charges are rarely laid unless actual bodily harm or death of the child has occurred.

Provincial child welfare and child protection legislation and the Criminal Code are the only standards governing unlicensed, private child care arrangements, and are usually invoked only in cases where a child is seriously harmed. This level of scrutiny is clearly insufficient to ensure, in itself, that the care received by children in these arrangements is adequate to foster good health and development. As a result, parents are solely responsible for selecting and screening caregivers in unlicensed arrangements and for monitoring these arrangements to ensure that the quality of care their children receive meets their own expectations.

How good is the care received by children in unlicensed arrangements? In Chapter 6 the determinants of good family home child care were identified to be: number of children in the home, caregiver training and personal characteristics, parent involvement, and sponsorship or supervision. With sponsorship unavailable and specialized training unlikely, the importance of the caregiver's personal attributes such as warmth, energy and creativity take on greater significance in the selection of an unlicensed family home caregiver — characteristics that are particularly difficult to assess in a stranger. When the care provider is a close relative or friend of the parents, the selection may be relatively simple. However, parents who do not have recourse to family or friends face a difficult task, first in the selection of a caregiver, and subsequently in maintaining sufficient on-going supervision to ensure that the quality of care remains satisfactory. Many parents who wrote to the Task Force described one or more unsatisfactory arrangements in which their children had been placed.

> *As we have lived mainly in rural areas far away from our families, we have used private non-licensed home care for our children when we needed it. This has varied from very good to just awful, with children suffering trauma and malnutrition. The availability of good child care has been the determining factor in whether or not we can both work, indeed on our whole standard of living, as the care of our children comes first with us.*
>
> *Judith Emery*
> *St. Peters, Nova Scotia*

> *Non-registered day care homes to me were the pits. Particularly in rural areas where the working parent is really 'over a barrel'; everyone suffers.*
>
> *In this particular case the mother did, and still does like to take as many children into her home as possible, feed them cheap weiners and Kraft dinner and cherry jello (wondering all the while why the children were so whiny and aggressive after this meal) and then decides after a few months that she needed a holiday and so informs the parent on a Friday night that she is going away for two weeks.*
>
> *Peggy Fitzpatrick*
> *Delhi, Ontario*

> *Our very worst sitter was a young man who smoked marijuana (at age 15 and 16) and fell asleep on the couch for the greater part of the day. I had trouble finding another sitter and put up with him for over a week. At the end of that time I was exhausted through lack of sleep, concern about the children and momentarily blanked out while driving down the Don Valley Parkway. . . The boy was fired that day and I stayed off work until I could find someone else.*

> *Our situation hasn't been ideal, but by and large our babysitting or child care arrangements have worked fairly well. Most of the surrogate mothers have been warm, motherly individuals who cared about the children. Last week we passed a bakery and my daughter said the smell of freshly-baked bread reminded her of Mrs. White's (a sitter's) house. When the bread would come out of the oven, the children would get big chunky slices of it. I wish her fond memories were of my kitchen and my baking, but it's part of the price we pay.*
>
> *Nuala T. Grant*
> *Mississauga, Ontario*

## ENFORCEMENT OF STANDARDS

### Enforcement of Standards in Child Care Centres

Legislation and regulations in each province and Yukon establish certain powers and procedures for enforcement of day care standards in centres.[5] All provinces and Yukon ensure compliance with day care standards through inspection by government officials. Minimum frequency of visits is determined by law in all provinces except Quebec. The usual required frequency is once a year, although, in practice, visits may occur more often than the legal requirement. Particular attention is paid to facilities with a history of non-compliance, and complaints are responded to promptly. In Quebec, regular inspections are not required by law or by regulation; in practice, an inspector visits each facility when an application for a licence or renewal is made, once every two years. As in other jurisdictions, day care officials also visit facilities (usually several times per year) to provide advice on programming and standards, and inspectors respond to reported breaches of regulations.

#### Who Inspects?

In six provinces (Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Prince Edward Island), the inspectors deal exclusively with child care facilities. This is also true for urban centres in Alberta and in St. John's, Newfoundland. Inspections for an initial licence application in Nova Scotia are handled by the day care supervisor.

In less populated regions, Alberta and Newfoundland rely on government social workers who are given the additional responsibility of carrying out day care inspections. Nova Scotia uses the same approach for inspections required for licence renewals. In British Columbia, all investigatory responsibility has been delegated to medical health officers in public health units across the province.

#### Role and Qualifications of Inspectors

To help child care centre operators meet their obligations under the legislation, child care inspectors often play the additional role of consultant. Regular visits may be scheduled for this purpose, or visits may be made at the request of the operator. Some provinces publish materials for operators concerning planning of activities, menus, or start-up requirements. In Quebec, any group interested in opening a child care centre has access to a provincial liaison agent and a team of specialists, which includes architects, lawyers, accountants and personnel administrators. The specialist team is a particularly useful resource for non-profit organizations.

Inspectors in many jurisdictions have early childhood education training, or equivalent training or experience. However, such qualifications are generally not a job requirement.

### Specialized Inspections

While provincial day care personnel ensure compliance with "day care related" requirements (programming, menus, staff:child ratio, etc.), other specific regulations call for specialized inspections of the physical plant. The most common of these are health and fire safety inspections. Most provinces rely on inspectors from the medical health office (or equivalent) and the fire marshall's office (or equivalent). These inspections may or may not be conducted as often as are day care inspections.

Other types of specialized inspections may address building standards and zoning compliance. These inspections are generally made only upon the initial licence application or following changes to the physical plant.

When there is suspicion that child abuse is occuring within a facility, some provinces assign an inter-disciplinary team to conduct the investigation. The child abuse team is usually within the child welfare branch of government. British Columbia, Alberta and Ontario, use this integrated approach to respond to all allegations of child abuse.

Day care centre staff also play a role in the early detection of child abuse or neglect and are instrumental in providing protection for children in their care. Staff training in prevention and treatment of child abuse has attracted interest in all provinces, and several provinces are developing in-service training materials in this area. Some E.C.E. programs also contribute to staff training related to child abuse. In Ontario, for example, the subject is a mandatory component of all E.C.E. college programs.

## Enforcement of Standards in Family Child Care Homes

Standards for family child care homes are enforced variously by fire and public health officials or provincial day care administrators. In provinces that license sponsoring agencies, these agencies have primary responsibility for ensuring compliance with standards in the homes under their supervision through regular home visits. Agencies in Ontario, for example, are required to visit each home at least once every three months, and government officials do occasional spot-checks of the homes as well. The agency must ensure that the home meets fire and health regulations, and usually establishes an inspection procedure in consultation with fire and public health officials.

Enforcement of standards in homes licensed directly by the province varies in terms of frequency of inspections as well as the personnel involved in the inspections. In Manitoba, for example, regulations require a personal assessment of the caregiver, plus health and fire inspections of the home as part of the licence application and annual renewal. A provincial day care coordinator completes the fire and public health inspection, according to guidelines developed by fire and public health officials. In practice, homes are visited four to six times per year, and the frequency of visits can be increased as needed.

In Saskatchewan, the director of day care services requires annual inspections of homes; the homes must also comply with community health standards and be free from fire and safety hazards, but annual fire and safety inspections are not required.

In British Columbia, inspections by a medical health officer, the fire marshall's office and a public health nurse (who completes the personal assessment of the caregiver) are required upon the initial application for a licence. Prior to 1982, an inspection of each licensed home was required at least once each year. Since that time, regulations require inspections at the discretion of day care officials. In practice, the frequency of visits varies among the regions according to staff availability and priorities in the regional offices.

## Facilities Operating Without the Required Licence

It is relatively easy for government officials to determine if licensed or approved facilities are meeting standards set by legislation because the provincial licensing authority knows who the operators are and where the child care facility is located. Facilities operating without the required licence or approval pose a more difficult challenge for provincial officials. The operation must come to the attention of the authorities before they can act to ensure that standards are met.

Seldom does a full-fledged child care centre open without the operator realizing the need to apply for a licence to operate it. More frequently, provincial officials become involved when a caregiver who cares for children in her home without a licence has accepted more children than are permitted without a licence.

Provincial resources do not permit active monitoring of unlicensed facilities. Day care officials rely largely on word-of-mouth reporting to learn of these situations. Complaints about over-crowded homes may come from neighbours or dissatisfied parents; complaints about centres may be made by other licensed operators or concerned staff members.

Some enforcement officers occasionally check classified advertisements or community service bulletin boards for child care services that may be operating in contravention of the legislation. Efforts may also be made to educate parents about licensing standards. Some regional offices in Alberta, for example, publish information on standards in the classified advertisement section of newspapers, to assist parents in their selection of child care arrangements. Many provinces provide the same information in brochures made available to parents.

According to government officials, an unlicensed operator has usually not applied for a licence because of ignorance of the legal requirements, not because of a flagrant disrespect of the law. This is particulary true in those provinces just establishing a comprehensive set of standards (Quebec, for example) or for a period of time after licensing or approval requirements are changed.

Officials in Saskatchewan do not take action against unlicensed operators because of lack of clarity in the present legislation. The law is currently under review, and this problem is among those being addressed.

## Powers to Enforce

In most provinces and Yukon, the law grants to certain government officials (the Minister or her/his representative; the Director or her/his representative, etc.) power to enter premises for the purpose of inspection. In some provinces, facilities must be open to inspection at all times. In others, certain restrictions may be placed on the right of entry; for example, the right may be limited to situations where a complaint has been laid (as in New Brunswick); or if there are reasonable grounds to believe that the facilities are not complying with the law (as in Quebec). In some provinces, the right to inspect the books of a child care centre is specifically granted.

Powers of entry have been brought into question in light of the Charter of Rights and Freedoms guarantee against unreasonable search and seizure (s.9). Consequently, these powers may be clarified or limited as provincial governments review their laws to ensure Charter compliance.

Violations of requirements under the legislation or regulation initially result in a warning to the operator, who is given time to rectify the situation. Repeated refusal to comply with the law can result in a suspension or cancellation of the licence or approval. Alternatively, the contravenor can be charged with an offence. Offences set out in the legislation follow the summary conviction procedures in each province.

Some provinces have included in their laws detailed procedural protections for an operator facing licence suspension or cancellation. In any case, such action would be subject to the rules of natural justice, which allow the operator certain rights, such as the right to know the case against him or her, the right to notice, the right to a hearing before an impartial person, and other rights intended to ensure fairness in the procedure.

In the vast majority of cases, day care officials find that warnings are sufficient to convince the operator to comply with the law, and they rarely resort to using the more serious sanctions. Follow-up inspections after a violation is corrected are handled according to the priorities set by the particular provincial office.

## CONCLUSIONS

Standards for child care facilities and procedures for enforcing standards are set by provincial and territorial governments; these vary widely from one jurisdiction to another. Thus, a licensed centre or family child care home in one province may be quite different from its counterpart in a neighbouring province in terms of such key aspects as staff:child ratios, caregiver qualifications and frequency of inspections. One significant variation for licensed family homes concerns sponsorship and supervision. In some provinces, caregivers in licensed family homes are closely supervised by, and receive support services from, an agency or provincial officials. In others, family home child care providers operate quite independently following the initial inspection and have little contact with provincial officials unless a complaint is laid. We have seen also, that while provincial licensing standards for child care centres are generally high, room does exist for improvement in some areas. Parents who place their children in unlicensed arrangements must take full responsibility for assessment and monitoring of the care provided, since no mechanisms exist for inspection or intervention by government officials unless a child has come to serious harm.

Within each jurisdiction, as well, levels of performance by individual centres or child care homes vary. Standards are minimums only, and while some facilities operate strictly at levels prescribed by the standards, others surpass these minimums in one or more areas. Within any jurisdiction, therefore, there may be licensed facilities that are better than others in many respects.

Given these variations among licensed facilities, parents shopping for a child care arrangement do well to examine not only the licensing standards prevailing in the community, but also specific features of individual facilities, in terms of such variables as staff qualifications, group size, staff:child ratios, the nature of the caring environment, the type of programming, and the willingness of providers to involve parents. A visit to the facility and an interview with staff will signal to parents whether this particular care arrangement is the one that best suits their children's needs. Licensing standards and other regulatory measures cannot be relied upon to create a single, best child care arrangement, since families' needs vary widely, and each child will thrive in the care arrangement that best suits his or her individual needs.

Health and Welfare Canada, Public Affairs Directorate

# 8

# Who Pays For Child Care?

## INTRODUCTION

> *I find it unfortunate that the federal and provincial governments don't do more for day care considering the amount of monies spent on less important issues. After all, are our children not worth it? What more valuable resources are there?*
>
> *Carol Welsh*
> *Regina, Saskatchewan*

IN PRECEEDING CHAPTERS we saw that the child care system in Canada is in an underdeveloped state. Licensing and training systems do exist in every province and in Yukon. Yet spaces exist for fewer than nine per cent of children whose parents work or study at least 20 hours each week. As a result, the majority of Canadian children are cared for in informal care arrangements outside the provincial regulatory systems, by caregivers with no specialized training in child care. A great many 6-to-12-year-olds care for themselves, unsupervised, before or after school each day. We saw also that the need for child care services is growing at a rapid pace, while the availability of informal care arrangements is declining.

In this chapter we examine the impact of existing government financing measures on the development of the child care system in Canada. First, federal expenditures are described, including a detailed review of the largest financing measure — the Child Care Expense Deduction under the Income Tax Act — and a review of other federal spending on benefits for children. Following this, provincial and territorial child care financing is described. The adequacy of combined spending by the federal and provincial governments is then assessed. Finally, using results of a survey, conducted for the Task Force, on fees charged for child care across the country, we examine the impact of existing measures on families at different levels of income.

## OVERVIEW OF GOVERNMENT SPENDING ON CHILD CARE

Provincial and territorial governments hold the constitutional responsibility for child care and thus play the lead role in developing programs. The federal government participates in provincial and territorial programs for low-income families through the Canada Assistance Plan (C.A.P.). Under C.A.P., the federal government matches certain provincial and territorial expenditures on child care for low-income families.

Provincial and territorial governments also make direct grants to child care facilities, although there is considerable variation among them in the amount spent on child care and the types of services funded. Five provinces provide operating subsidies to licensed centres and family homes. Most provide grants for start-up, expansion, repairs or purchase of equipment in licensed centres. Most jurisdictions also provide special grants to facilities that care for handicapped or special-needs children.

In Ontario, the municipalities have been delegated responsibility for child care and contribute directly to these costs. Municipalities in Alberta are responsible for out-of-school programs for children aged six and up. In other jurisdictions, some municipalities provide monetary and non-monetary support to child care on their own initiative. In Quebec, local school boards are required to provide free space for school-aged child care programs. Some local school boards in other provinces provide similar assistance on a voluntary basis.

In addition to direct government expenditures for child care services, some assistance with child care costs is offered to parents through the Child Care Expense Deduction allowed under the Income Tax Act. As will be discussed later in this chapter, the tax system is structured in such a way that the federal government and the provincial/territorial governments jointly carry the cost of the deduction.

In terms of magnitude, the two largest measures are child care subsidies for low-income families, on which the federal and provincial/territorial governments spent some $186 million in 1984-5, and the Child Care Expense Deduction, which cost $174 million in government revenues. Tax relief for families with child care expenses provided under the Quebec income tax system added another $80 million to this total. Together, tax relief and subsidies for low-income families comprised 81 per cent of total child care spending by government in 1984-5[1].

## FEDERAL GOVERNMENT SPENDING ON CHILD CARE

The federal government provides financial support for child care through four measures: (1) the Child Care Expense Deduction allowed on a parent's income tax return; (2) cost-sharing of subsidized child care for low- and moderate-income families under C.A.P.; (3) child care subsidies for those taking training courses sponsored by Employment and Immigration Canada; and (4) contributions by Indian and Northern Affairs Canada to child care programs on Indian reserves. The federal government spent an estimated $224 million on these four measures in 1984-5, as Table 8.1 shows.

We will examine at length the first of these measures, which also involves the largest expenditure. The other three will be described much more briefly in this section. We will return with a fuller discussion of the Canada Assistance Plan in the section of this chapter that deals with provincial government measures. Also included in this section is a description of related federal government spending on benefits for families with children.

## Child Care Expense Deduction

> *I will spend somewhat more than half of my take-home pay for child care which makes us wonder if I should go to work at all. The $2000 per-child-per-annum tax deduction for child care expenses will be of some help, but at $190 a week I'll spend it in 21 weeks, and I work for 49. Please don't think of me as a poor little rich girl — if I don't work, we don't pay our mortgage.*
>
> *Name Withheld*
> *Charlottetown, P.E.I.*

The Child Care Expense Deduction is currently the major source of federal contributions to child care (some $115 million in 1984-5). This measure permits taxpayers to claim a deduction from taxable income of up to $2000 for child care expenses incurred for each child under 14 years of age.[2] In the case of a two-income household, the parent with the lower income must claim the deduction. The expenses must have been incurred to enable the taxpayer to work, attend an occupational training course, conduct research, or operate a business.

A maximum deduction of $8000 is allowed for each family, and total deductions cannot exceed two-thirds of the claimant's earned income. Receipts for expenses are required to substantiate expenditures, and although they need not be filed with the income tax return itself, they must be available in the event of an audit or inquiry by tax authorities. The child care services must have been provided by someone other than a parent of the child or a person under 21 related to the taxpayer or his or her spouse by blood, marriage, or adoption.

It is important to note that, because the Child Care Expense Deduction is a "deduction in computing income," the claimant must have taxable income in order to avail himself or herself of its benefit.

Because of the inter-relationship of federal and provincial tax liabilities, provincial governments also make an annual tax expenditure as a direct result of the Child Care Expense Deduction. A deduction reduces taxable income, thus reducing federal tax payable; because provincial

**TABLE 8.1**

**Estimated Federal Expenditures on Child Care, 1984-1985**

| | (millions) |
|---|---|
| Child Care Expense Deduction | 115 |
| Canada Assistance Plan (C.A.P.) | 90 |
| Child care subsidies for persons taking CEIC courses[a] | 16.9 |
| INAC contributions to child care on Indian reserves | 2.5 |
| **Total** | **$224.4** |

**Source:** Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

**Notes:** [a] Includes immigrants on language training.

taxes are calculated (in nine provinces and both territories) as a proportion of federal taxes, provincial revenues are also reduced. For the 1984 taxation year, the tax expenditure by these nine provinces and two territories for the Child Care Expense Deduction is estimated to have been $59 million.[3]

The exception is the province of Quebec, which levies and collects its own income tax. In Quebec, taxpayers who incur child care expenses may claim the Child Care Expense Deduction on their federal income tax return for purposes of computing the amount of their federal tax levy under the same conditions as any other Canadian taxpayer. However, in calculating the amount of their provincial income tax on their provincial return, Quebec taxpayers may claim *either* a child care expense deduction of $2000 per child (to a total of $6000 per family),[4] or a tax credit. This tax credit, known as the Availability Allowance, amounts to $300 for the first child, $200 for the second child, and $100 for the third and subsequent children under six years of age. As a tax credit, it differs from a deduction in that taxpayers actually receive a benefit equal to the full face value of the credit, and all taxpayers receive the same net amount regardless of their income level.[5]

The Quebec Availability Allowance was introduced by the Quebec government in 1982 to benefit mothers at home and provide an alternative to the Child Care Expense Deduction. No child care expenses need be incurred to claim the credit. It must be claimed by the person who receives the Quebec Family Allowance for the child, usually the mother. It is a refundable tax credit, which means that the full amount is received by the claimant whether or not she has a taxable income.

The government of Quebec estimates it spent $132 million on the Availability Allowance in 1984-5;[6] approximately $75 million of this amount can be attributed to families in which the mother was unemployed or not in the labour force, and $57 million to families in which the mother was employed.[7] The Quebec government estimates that its tax expenditure for the Child Care Expense Deduction in 1984 was $23.2 million.

## Value of the Child Care Expense Deduction to Families

The value (that is, the monetary benefit) received by a taxpayer in claiming the Child Care Expense Deduction varies not only from one taxpayer to another, but also from province to province.

All taxpayers in Canada, including those in Quebec, pay federal taxes according to a graduated schedule of rates, called marginal rates. The federal marginal rates increase as taxable income increases, from a minimum (in 1984) of 6 per cent on the first $1238 of taxable income, to a maximum of 34 per cent on all taxable income in excess of $59 424.[8] There are 10 such brackets in the Act, each of them bearing a different rate. Most taxpayers therefore pay tax on their total income at several different marginal rates. The marginal rate relevant to calculation of the value of a deduction is the highest marginal rate applicable to that taxpayer's income, because that is the rate that would apply if the deduction were not claimed.

Provincial and territorial income tax rates are expressed as a percentage of the federal rates. The rates levied by the provinces and territories varied in 1984 from a low of 43 per cent in the Northwest Territories, to a high of 60 per cent in Newfoundland.[9] Thus the combined or *effective* marginal rates applicable to a taxpayer of any given level of income are from 40 per cent to 60 per cent higher than those expressed on the federal rate schedule. The highest effective marginal rate in Newfoundland was therefore 54.4 per cent in 1984 (34% federal plus [60% x 34%] provincial), but only 48.6% in the Northwest Territories (34% federal plus [43% x 34%] provincial).

*Value of Child Care Expense Deduction Varies From Province to Province*

Since the value received by a taxpayer from a particular deduction is dependent on the effective marginal rate of tax that would have been paid on that income if the deduction had not been allowed, the value of the deduction varies across the country. The value will be least in the lowest-taxing provinces and highest in the highest-taxing provinces.

For example, consider two young couples, one in the Northwest Territories and one in Newfoundland; each has one child and each earns the average 1984 income for two-earner couples with children ($43 000),[10] with one of the parents earning two-thirds of that income and the other one-third. A Child Care Expense Deduction of $2000 (the maximum allowable) would be worth $544 to the Northwest Territories couple, but $608 to the Newfoundland couple, simply because the provincial tax rate in the Northwest Territories is lower than that in Newfoundland.

*Value of Child Care Expense Deduction Rises With Income*

More importantly, because the value of the deduction is dependent on the taxpayer's highest marginal rate of tax, the value of the deduction is greater for high-income earners than for low-income earners, a prime characteristic of a regressive tax measure. Indeed, surprisingly, the premise of the deduction seems to be that a person's need for it rises proportionally with income. Moreover, the deduction is of no benefit whatsoever to individuals who, because of insufficient income, do not have tax to pay, although their need is greatest of all.

Using Ontario tax rates as representative of prevailing Canadian rates, the deduction for one child was worth $1022 to taxpayers in the highest marginal rate bracket. This rate, however, applied in 1984 only to a single parent with an income in excess of $67 800, or to a married taxpayer with an income in excess of $64 600 and whose spouse had an even higher income. Since the deduction must be claimed by the lower-income spouse in a two-earner family, the deduction therefore had the maximum value only for two-earner families with incomes in excess of $130 900, or fewer than one per cent of Canadian families.[11]

The lower the earnings of the lower-income spouse, the less the deduction is worth to the family. The following table shows values of the Child Care Expense Deduction to families at different levels of income:

The average income for two-earner couples with children in 1984 was approximately $43 000. For families with average incomes, a $2000 Child Care Expense Deduction nets an annual benefit of $500 to $600, or approximately 14 per cent of the cost of care in 1984 for an infant under two years of age.[12]

*Most Families Don't Claim*

Not all parents with child care expenses claim the deduction. A survey by Statistics Canada estimated that, in 1981, there were 1 319 000 children aged 14 and under, including 1 133 000 under six, receiving care by a non-relative.[13] In the 1981 taxation year, child care expenses were claimed for the care of 575 881 children, or about 44 per cent of the estimated number of children receiving non-parental care.[14]

Similarly, a Task Force survey of parents found that only 61 per cent of respondents who had paid more than $20 for child care in the week before the survey had claimed the deduction on previous income tax returns.[15] Reasons for not claiming the deduction varied: 39 per cent were unable to obtain the necessary receipts, 18 per cent felt they had paid too little to bother with a claim, 12 per cent said their incomes were too high or too low to file a claim, 9 per cent felt the claim procedure was too complicated, and the others gave a variety of reasons for not claiming the deduction. Two reasons cited — income being too high and finding the procedure too complicated — suggest that the Child Care Expense Deduction is not well understood by some potential claimants. The Task Force also received evidence of this in letters from parents who, for example, complained that child care fees paid to relatives over 21 could not be claimed, when in fact they are claimable.

We saw in Chapter 3 that most families in Canada needing child care rely on unlicensed caregivers working in their own homes or in the child's home. These caregivers often will not provide receipts. Some caregivers may feel that their income from child care is low, and do not want to further reduce that income by paying taxes on it. These caregivers may also wish not to lose their spouses' ability to claim a deduction for them as dependents. As a result, many Canadian families forgo claiming the Child Care Expense Deduction. As well, the federal and provincial or territorial governments lose tax revenue on two accounts. Firstly, taxes are not paid on caregivers' unreported income. Secondly, the spouse of a caregiver who does not report her income might continue to claim the caregiver as a dependent, with a corresponding reduction in the spouse's tax payment.

### TABLE 8.2

### Value of Child Care Expense Deduction for One Child, 1984

| Family Income | Two-Earner Couple ($) | Single Parent ($) |
|---|---:|---:|
| 10 000 | 0 | 14 |
| 15 000 | 0 | 540 |
| 20 000 | 0 | 571 |
| 30 000 | 514 | 695 |
| 45 000 | 572 | 885 |
| 60 000 | 601 | 902 |
| 90 000 | 752 | 1 022 |
| 150 000 | 903 | 1 022 |

**Notes:** Families with one child, using 1984 Ontario tax rates.

Calculations for two-earner couples assume one spouse earns 1/3 of family income and the other earns 2/3.

Many parents expressed their frustration with this situation in letters to the Task Force.

> *As a mother who has always worked, for years from necessity at a low paying job, I have tried all forms of child care and now watch my 18 year old daughter struggle with the same problem. . .*
>
> *My grandson is now 2 1/2. . . Though his parents probably will have taxable income this year, they will never be able to claim this expense. This sitter, like most others cannot afford to babysit and give receipts and therefore refuses.*
>
> *. . . a way must be found to aid the middle income working parents so that they may choose child care on the basis of quality and not cost. A method must be found to aid (by means of tax reductions) the parents who use a sitter who will not or cannot provide receipts.*
>
> *Dianne Moynihan*
> *Regina, Saskatchewan*

> *. . . the majority of people who hire babysitters neither make deductions nor make employer contributions. Neither do the babysitters declare the income. It is all under the table. I am not in agreement with this — I think everyone should pay their fair share. However, by making the proper way of doing things too complicated and time consuming (not to mention more expensive), I feel the government agencies are simply encouraging under the table deals and discouraging people from doing things honestly.*
>
> *Joyce Pickering*
> *Montreal, Quebec*

> *I am not the only person that cannot get receipts. In my workplace alone there are 20 working parents and only 5 of these people can get receipts.*
>
> *What I would like to see is, if a couple can prove that they both work full-time that they could receive a percentage they can deduct for child care on income tax without receipts, higher if they can get them.*
>
> *J. McGregor*
> *Fitzroy Harbour, Ontario*

> *Since my divorce and separation, child care has been an area of major concern. I am a single father with three children 4, 5 and 9. As I work in Montreal, it is essential that I have quality day care from 7:00 a.m. to 5:30 p.m., five days a week.*
>
> *Living in St. Sauveur makes choice of institutional day care very limited. In fact when I investigated them, I found out they only opened at 8:00 a.m. . .. I felt that the children would be best served if they were able to stay in their own home. It would be less stressful for them especially following the divorce.*
>
> *The main trouble in attracting good qualified child carers I feel relates to government policy. Firstly, who is willing to work when*

> *they can collect welfare or Unemployment Insurance and not make that much less without any effort at all. Often these people are most willing to work a bit on the side under the table, but should I encourage such illegal activity — what choice do I have? Secondly, is the present Income Tax Act which severely discourages spouses from making $1000-$5000 due to the income tax involved. So I now find myself paying $150 per week plus expenses and have no hope whatsoever of getting a receipt and hence stand to lose about $3000 in income tax refund. Even though $150 seems like a reasonable sum, it is still below the minimum wage for a 55 hour week so this makes me illegal as well.*
>
> *Terrible would really sum-up our country's efforts in this extremely vital area.*
>
> *J.H. Brooks*
> *St-Sauveur-des-Monts, Quebec*

Evidence from a Task Force survey of fees charged for child care services across the country does not support the commonly held belief that parents accept non-deductibility in exchange for lower-priced care. In fact, we found that the difference in annual fees between licensed and unlicensed care in most provinces was less than $300 in 1984. The question of fees or prices charged for child care services in Canada will be further explored later in this chapter.

Revenue Canada does not routinely cross-check child care expenses claimed by parents with income reported by caregivers. Cross-checks are made only in exceptional cases, such as when the name of a caregiver who has reported no income from employment appears on many receipts for expenses. Apart from these exceptional cases, Revenue Canada does not have a special program for identifying caregivers who do not pay income tax.[16] On the other hand, in the 1982 taxation year, the most recent year for which statistics are available, there were 444 531 claims for child care expenses; 9287 were subject to review, resulting in 3100 adjustments. The figures do not indicate how many claims were disallowed for faulty receipts or lack of receipts, since the statistics include adjustments made for a variety of reasons.

Thus, although the published data will not be available until 1987, experience tells us that, of the 1 350 000 families that may be eligible to claim the deduction for child care expenses in 1985, no more than 40 per cent will do so.[17] The Child Care Expense Deduction had no value whatsoever to the 810 000 families incurring expenses who did not claim it in that year.

### Limitations and Restrictions

Section 63 of the Income Tax Act, which grants and defines the Child Care Expense Deduction, imposes a number of limitations on its use, which result in uneven distribution of benefits among families according to their characteristics and other factors. The major of these we will outline briefly.

### *Maximum Allowable Deduction*

The current maximum allowable deductions are $2000 per child under 14, and $8000 per family. These constraints have the following effects:

(1) Actual expenses for infants and preschool children in full-day care far exceed the allowable limit.[18] The same $2000 limit applies to children of all ages, providing a larger proportionate return to parents whose children require only before- and after-school care because they are in full-time attendance at school, than to parents of younger children.

(2) Families that incur expenses for more than four children are disadvantaged by the maximum family limit.

(3) The $2000 limit imposes a disincentive for parents to choose better-quality care options at higher prices. The higher the expenditure per child, the smaller the percentage returned by the deduction.

(4) For families with several children and relatively high incomes, parental choices are skewed in favour of in-home care. A family with four children can in effect tax deduct the services of a full-time housekeeper, provided that she also provides at least custodial care for the children. While in-home care can be very good, more often it is provided by untrained workers who are hired to perform housekeeping as well as child care services. Thus, the limitation creates a powerful disincentive for some families against using better-quality care options inside or outside the home.

### *The Two-Thirds Earned Income Rule*

The Act requires that in a two-parent household, the deduction must be claimed by the spouse with the lower income. Prior to 1983, the section required the mother to claim the deduction. The new rule, while it does remove sex discrimination from the section, also ensures that the smallest possible tax benefit is paid to each family.

A further limitation provides that the deduction claimed must not exceed two-thirds of the claimant's *earned income* (i.e., income from employment or operation of a business). Without the earned income restriction, high-income single-earner families that split their investment income for tax purposes could claim the deduction. Requiring that the deduction be claimed against earned income thus ensures that the deduction is claimed only by taxpayers who are employed or operating a business. The rationale for the two-thirds limitation is much less clear. Normally, under the Income Tax Act, a full deduction is allowed, even if it exceeds a taxpayer's total income.

These limitations penalize families in which one spouse, either regularly or temporarily, has a very low income. This affects primarily part-time-working women with low earnings, business people who experience short-term business losses, and farmers who experience a loss or a period of low income. While part-time workers may have lower child care expenses than do those working full-time, in the case of business people or farmers experiencing a loss, full-day care may well have been a necessity during the year, regardless of the lack of financial success. Even if the other spouse has earned income, no deduction is allowed because only the lower-income spouse can make the claim.

> *I have also found that the tax rules are prejudiced towards working women. My case in point — my husband is a commissioned salesman and did not earn much money last year. Since I earned more than him, I was not permitted to claim child care expenses as it must be claimed by the one earning the least amount in the family (usually the woman?). However, as a salesman who must pay his own expenses (such as car, insurance, gas, etc.), my husband had more than enough deductions for his meager salary. Hence, I lost out on the child care expense deductions for the year.*
>
> *Name Withheld*
> *Montreal, Quebec*

> *If a farmer has a loss for a particular year, even though he worked long hours every day, he cannot claim one cent of child care expenses. We cannot carry forward the expenses to another year. He simply loses the tax benefit of paying child care expenses. . .*
>
> *We did not hire a babysitter this fall. My five and six year old come home from school to an empty house. I worry what they are doing. Marc Lalonde doesn't.*
>
> *Name Withheld*
> *Brad'Or, Nova Scotia*

In addition, when other farm families whose farms are operating at a profit make the mistake of not paying a salary to the wife who is, herself, a participant in the business, they lose not only the tax advantages associated with income splitting, but also the right to claim a Child Care Expense Deduction.

### *Care By Relatives*

The restriction against employing certain relatives under age 21 discriminates against taxpayers who have legitimately hired such relatives as their caregivers. It also discourages taxpayers from employing relatives under the age of 21.

Moreover, this section of the Income Tax Act, like many others, applies strict rules to married couples, which couples living in a common law relationship may be able to successfully avoid. In certain circumstances, the higher-income spouse in a common law relationship can claim the deduction. That person also can, in certain circumstances, pay his/her common law spouse for providing child care and claim the deduction, an option not open to a married couple.

### *Claims by Student-Worker Couples*

Prior to the 1983 amendments to the Act, the deduction could be claimed by a father only if the the mother was absent due to death, divorce or illness. Mothers were not similarly restricted. Thus, a claim could be made by a working mother whose husband was a student (or was unemployed) but no claim could be made if the roles were reversed.

> *. . .If I had worked to support my husband in his attempt to upgrade his degree, and thereby made use of some child care facility, the entire cost of this child care would have been*

> *deductible from my gross income. But, since my husband supported my attempt — i.e., it was the wife who returned to university and therfore caused the need to pay for child care, NOT ONE CENT of that money, over $300 per month, was deductible. The income tax department was telling me to stay home!*
>
> *Phyllis Coolen*
> *Lunenburg, Nova Scotia*

Since 1983, the higher-income spouse in a family with one earner and one student may claim the deduction. However, the student must be enrolled in full-time attendance at a designated educational institution. Thus, if one spouse is employed full-time and the other is a full-time student, the employed spouse may claim the deduction. If the student attends school part-time, however, a child care expense claim can be made only if the student also has earnings from employment against which the claim can be deducted.

### Advantages and Disadvantages of the Child Care Expense Deduction

In most provinces and territories in Canada, the Child Care Expense Deduction is the only measure of financial assistance available to families with incomes above social assistance levels. As we contemplate development of a child care system to serve the needs of Canadian families today, the Task Force has had to ask itself if the deduction or some other form of tax relief to parents is the best way to assist families with their child care expenses and to encourage the development of a network of good child care services across the country.

Restrictions on use of the deduction including, in particular, unavailability of receipts from caregivers working in the grey market, as well as the low value of the deduction relative to actual child care costs, were frequently-cited complaints in letters received by the Task Force from parents. Some recommended that the maximum allowable deduction be raised or that the requirement to produce receipts be removed. In Chapter 13 of this report, we will discuss the advantages and disadvantages of the Child Care Expense Deduction in the context of developing a new child care system for Canada's children and their parents.

## The Canada Assistance Plan

Under the Canada Assistance Plan (C.A.P.), the federal government shares with provincial/territorial governments the cost of providing subsidized child care to families that are "in need" or "likely to become in need." The cost of providing such subsidized care is shared on a 50-50 basis between the two levels of government. The contribution by the federal government to this program was $90 million for the 1984-5 fiscal year.[19]

C.A.P. is simply a cost-sharing mechanism. Rules governing eligibility for assistance, the level of subsidy provided, and the number of subsidized spaces made available each year, are all determined by the provincial and territorial governments. However, while the intention of the program is to provide federal cost-sharing for all provincial or territorial child care expenditures made on behalf of low-income families, because of several design features of C.A.P., the federal government in fact contributes less than 50 per cent toward such spending in several provinces.

The implications of the Canada Assistance Plan for provincial or territorial programs of assistance for low-income families will be examined in a subsequent section, together with a description of the programs themselves.

## EIC Dependent Care Allowances

Employment and Immigration Canada provides a Dependent Care Allowance to trainees enrolled in approved courses at community colleges and vocational schools, to assist with child care expenses. The allowance provided in 1985 was $75 per week for each child under 11 years of age and for each infirm child who required care for four hours or more each day.

A total of $16.9 million was expended on this program in 1984-5.[20] Approximately 12 377 trainees enrolled in EIC-sponsored courses benefited from the program in 1984-5, 90 per cent of whom were women. Although the total expenditure is small, the Dependent Care Allowance is considered an important element of the government's efforts to improve women's access to training opportunities.

## Child Care on Indian Reserves

Indian and Northern Affairs Canada (INAC) provides some funding for child care centres on Indian reserves.[21] Most of the funding is allocated to reserves in Ontario, where, under the terms of a 1965 agreement, the federal government has agreed to cost-share expenditures made by the province to provide child care services and other social services on Indian reserves.

In Ontario, Indian and Northern Affairs Canada provides a start-up grant, equal to 20 per cent of projected costs for the first year, to any band wishing to establish a centre. The child care centre is reimbursed by the province for 80 per cent of the operating costs of the centre, and the province is, in turn, reimbursed by INAC for 95 per cent of its expenditure. INAC's total expenditure on child care for the Ontario region amounted to $2.2 million in 1984-5.

Outside Ontario, Indian and Northern Affairs Canada funds a small number of child care programs on Indian reserve lands from the discretionary part of the social program budget in each region. The Department supports four child care centres in British Columbia (including one at Last Post in northern British Columbia), an unknown, but small, proportion of the 16 centres in Alberta, one of the four centres in Manitoba, and one in Quebec. There are no child care centres on reserve lands in Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland. INAC's total expenditure on child care centres outside Ontario in 1984-5 was $305 540.

In 1984-5, four bands supported the operation of centres with job creation grants, sponsored by Employment and Immigration Canada (three in Manitoba and one in Yukon). These grants provided 100 per cent funding in the first year of operation, falling to 60 per cent and 30 per cent in the second and third years. A very successful centre operated by Champagne/Aishihik Band at Haines Junction in Yukon closed, following expiration of the grant in the summer of 1985, its fourth year of operation. The Band was unable to identify an alternative source of funding, or to generate sufficient revenue through user fees to continue operating.

In most provinces, the centres operating on Indian reserves are not licensed by the province, nor do they receive provincial funding. The Alberta government, however, extends the same operating grants to these centres as to any other centre operating in the province, if they meet provincial standards. Several bands have found that the lack of an adequate building that meets Alberta regulations has barred them from this assistance. In 1984-5, seven of the 16 child care centres on Indian reserves in Alberta received provincial funding.

While no child care centres, as such, exist on Indian reserves in New Brunswick, the province, under the terms of the Canada-New Brunswick Indian Child Welfare Agreement, does fund two family and child development programs. These centres provide programs for both mother and child, consisting of developmental nursery school experience for the children while parents participate in parenting workshops.

## Federal Spending on Benefits for Children

In addition to the programs shown in Table 8.1, the federal government provides support to families with children through three programs known collectively as the Child Benefits System. Following a consultation process, the Minister of Finance announced, in his May 1985 Budget Speech, the government's intention to substantially change the Child Benefits System.

The Child Benefits System has been changed many times since the first child tax exemption was introduced in 1918. The Tax Exemption itself has been variously increased, replaced with a tax credit, abolished, reintroduced, indexed to the Consumer Price Index, de-indexed, and now partially-indexed. The Family Allowance was introduced, increased, taxed, indexed, de-indexed, indexed again, reduced, index-limited to 6 per cent in 1983 and 5 per cent in 1984, re-indexed, and finally partially de-indexed. A Child Tax Credit was introduced in 1977; increased, made refundable and income-tested in 1978; increased again in the 1982 and 1985 budgets, with the income test being first indexed, then frozen and finally reduced.

The three component programs of the Child Benefits System as they existed in the first half of 1985 were described in a consultation paper released by the Minister of Health and Welfare in January of that year, as follows:

> *Family Allowance*
>
> *The federal Family Allowance is a universal program which provides monthly payments to all families with dependent children under age 18. Typically, benefits are delivered to the mother. The payments are taxable and are indexed annually to the cost of living. In 1985, Family Allowances are $31.27 per child per month with variations in this amount in two provinces, Quebec and Alberta.*

> *Since Family Allowances are taxable, they provide tax revenues to the federal government and to the provinces which have tax collection agreements. Quebec collects its own provincial income taxes, and does not tax Family Allowances.*
>
> *Child Tax Credit*
>
> *The Child Tax Credit is a refundable, income-tested tax credit. In 1985, it will provide $367 per child in respect to the 1984 tax year to families with family income below $26 330. Benefits are reduced by $5 for every $100 of family income in excess of $26 330 so that, for a two-child family, benefits cease at about $41 000. The value of the credit is indexed annually, although the income at which benefits begin to be reduced is frozen at $26 330.*
>
> *Since it is refundable, this tax credit provides an offset against federal taxes otherwise payable. When the value of the credit exceeds federal tax payable, the excess is paid directly to the tax filer. Benefits are delivered through the tax system in the form of a single payment made at tax-return time to the parent receiving the Family Allowance cheque. As it is a federal credit, it has no implications for provincial revenues.*
>
> *Child Tax Exemption*
>
> *The child tax exemption provides a deduction from income for tax purposes on behalf of a dependent child.[22] The exemption is currently $710 for a child under 18 and is no longer indexed to the cost of living. The parent claiming the exemption must report Family Allowances as income. The original purpose of this provision was to provide fairness through the tax system for taxpayers with and without children.*
>
> *The exemption not only reduces federal taxes payable but, because of the tax collection agreements with all provinces except Quebec, also reduces provincial taxes in those provinces.*

Federal and provincial/territorial expenditures on these three measures in 1984-5 were as follows:

## TABLE 8.3

## Child Benefits System, 1984-1985

| | Federal Expenditures | | | Provincial/ Territorial Expenditures |
|---|---|---|---|---|
| | Direct Expenditures ($ millions) | Tax Expenditures or (Tax Revenues) ($ millions) | Net Expenditures ($ millions) | Tax Expenditures or (Tax Revenues) ($ millions) |
| Family Allowances | 2 360 | (450) | 1 910 | (173) |
| Child Tax Exemption | | 860 | 860 | 330 |
| Child Tax Credit | | 1 325 | 1 325 | |
| **Totals** | **2 360** | **1 735** | **4 095** | **157** |

**Source:** Health and Welfare Canada.

Thus, the Child Benefits System cost $4 billion in federal government expenditures in 1984-5 (and an additional $157 million in provincial expenditures), or about 10 per cent of federal spending on the *social safety net* in that year. Other major federal expenditures on social programs include health and post-secondary education ($14 billion), elderly benefits ($11.8 billion), regional extended Unemployment Insurance benefits and special fishermen's benefits ($2.9 billion), and housing ($1.5 billion).[23]

These transfers to parents on behalf of children represent an average annual expenditure of $620 per child on behalf of the 6.6 million children under 18 in Canada, or 17 per cent of the "no-frills" cost of raising a child with no expenditure for child care, according to an estimate by the Social Planning Council of Metropolitan Toronto.[24] The Council estimated that the cost of providing the basic necessities of life for a child from birth to age 18 was $66 500 (in 1984 dollars) for families without child care expenses, and $106 800 for those with such expenses. The Council reports that expenditures rise with a child's age in families without child care expenses, from a low of $2044 for the child's first year, to $3782 for boys 16 to 18 years of age. The pattern for families with child care expenses is reversed, with high initial expenditures (in excess of $6000 annually in the preschool years), falling to $3500-$3700 per year in the teen years. The Child Benefits System and government spending on child care combined, therefore, contribute benefits to families who must pay for child care, amounting to less than 12 per cent of the monetary cost of raising their children each year.

The 1985 Budget legislation amends the Child Benefits System by:

(1) substantially increasing the Child Tax Credit over the next three years (from $384 in 1985 to $524 in 1988), but lowering the turning point (from $26 330 in 1985 to $23 500 in 1986) so that fewer families will qualify for it;

(2) reducing the Child Tax Exemption by nearly one-half over the next four years to a level equal to the Family Allowance (approximately $375); and

(3) applying partial indexation to all three components of the system: the Family Allowance, the Child Tax Exemption and the Child Tax Credit (including the credit's turning point).

The proposal to replace full indexation of personal tax exemptions and brackets as well as family allowances and elderly benefits with a measure of partial indexation was a prominent feature of the 1985 Budget. This measure will both substantially reduce government expenditures on social programs and increase revenues. Future increases to tax expenditures and social benefits will be limited each year to the amount by which the inflation rate exceeds three per cent. Therefore, in a year in which the inflation rate is four per cent, family allowances will increase by one per cent. If the inflation rate is three per cent, the amount of the family allowance cheque will remain unchanged, while the buying power of the cheque will decline by three per cent. Under this proposal, the real value of "partially indexed" benefits will erode over time, while at the same time personal income taxes will rise as a result of the partial deindexation of the personal income tax system. Families with children will lose an estimated $1.9 billion in benefits over the years 1985 to 1989.[25]

The Budget documents proposed to retain full indexation for the Guaranteed Income Supplement received by poor elderly Canadians, but would only partially index the Child Tax Credit, Family Allowance, Child Tax Exemption and the universal Old Age Security benefit. Canadian seniors recognized immediately the impact of the proposed partial de-indexation on their own situation, and through an effective lobbying effort, persuaded the government to retain full indexation of the universal Old Age Security benefit, as well as the means-tested Guaranteed Income Supplement. Other groups were slower to respond to the Budget. However, in July 1985, the National Council of Welfare released a report, which concluded that although the Budget redirects Child Benefits from higher-income families to lower-income families, once the changes are phased in, "even the poorest parents will receive less than they would from the existing child benefits system. In the meantime, many lower-income and all middle-income families will suffer losses in child benefits starting in 1986."[26]

Changes in recent years have substantially altered the character of the Child Benefits System. Both the 1982 and 1985 Budgets substantially reduced total government outlays for Child Benefits. Once the 1985 Budget proposals are implemented, the system will become one that principally provides child benefits targetted to poor families, with merely token net benefits for families in middle- to upper-income ranges. The concept that seems to have now been firmly entrenched in the Child Benefits System is that children are a *private consumption good* of their parents. This concept proposes that middle- and upper-income families with children should receive essentially the same treatment through the tax-transfer system as do families that acquire a household pet or a second car.

The Task Force fundamentally disagrees with this approach to family policy and with the gradual dismantling of the universal Child Benefits System, which has occurred in recent years. While we agree that an increase in benefits for low-income families with children was warranted, this ought not to have been done at the expense of other families with children. The 1985 Budget proposals reduce already inadequate levels of benefits to middle-income families to a level that provides merely token acknowledgement of the high cost of raising a child today and of the direct contribution that parents make, through the act of parenting, to the future well-being of our economy and society.

While the three measures that comprise the Child Benefits System do provide a general measure of support to families with children, they were not designed to offset the cost of non-parental child care, nor are they instrumental in doing so. Assistance to families through the development of an adequate system of child care services, however, would alleviate some of the hardship created by an inadequate child benefits system.

## PROVINCIAL GOVERNMENT SPENDING ON CHILD CARE

Provincial and territorial governments, as has already been mentioned, have primary responsibility for the design and delivery of social services, including child care. Provincial and territorial governments provide financial support for child care through five general types of measures:

(1) tax relief; (2) subsidized care for low-income families; (3) operating grants; (4) grants for start-up or repair; and (5) grants for care of special-needs children. The largest of these expenditures — child care subsidies — will be examined in detail in the discussion that follows. The other forms of funding will be described much more briefly.[27] The provincial and territorial governments spent a total of $326 million on these child care financing measures in 1984-5, as Table 8.6 shows.

## Tax Relief

Provincial and territorial contributions to the cost of the Child Care Expense Deduction were described in detail earlier in this chapter. To recap, nine provincial and both territorial governments lose tax revenue on account of Child Care Expense Deduction claims because of the structure of the income tax system. A deduction reduces taxable income, reducing federal tax payable, and, because provincial taxes are levied (in these 11 jurisdictions) as a proportion of federal taxes, provincial and territorial tax revenues are also reduced. The tax expenditure by these nine provincial governments and both territories for the Child Care Expense Deduction in 1984 is estimated at $59 million, or 28 per cent of total child care spending by these governments.

Quebec residents file two income-tax returns. Parents who incur child care costs may claim the $2000 Child Care Expense Deduction on their federal income-tax return, under the same conditions as any other Canadian taxpayer. On the provincial income-tax return, Quebec residents are given a choice of claiming a $2000 Child Care Expense Deduction for each child (with a family maximum of $6000), or a tax credit (called the Availability Allowance) of $300 for the first child, $200 for the second child and $100 for each subsequent child under six. The tax expenditure by the Quebec government for the deduction is estimated at $23 million in 1984. An additional $57 million of the total $132 million expenditure on the Availability Allowance can be attributed to Quebec families that incurred child care expenses. Thus, the Quebec government provided a total of $80 million, or 67 per cent of the province's total child care spending, in the form of tax relief to parents.[28]

Beginning in 1986, Quebec families with child care expenses will be permitted to claim a deduction of $3510 per child under 6, and $1755 per child aged 6 to 11. These limits will be indexed, rising to $3640 and $1820 in 1987 and $3770 and $1885 in 1988. The family's child care expense claim may not exceed 40 per cent of the net employment income of the spouse with the lower income in the case of one child, 80 per cent for two children, and 100 per cent for three children or more. The Quebec government will also allow the higher-income spouse to claim the deduction, resulting in a transfer of tax benefits from lower- to higher-income spouses, that is, from women to men. The choice between the Availability Allowance and the deduction for child care expenses will be maintained, but more parents can be expected to claim the deduction, both because the limits have been increased, and because the deduction can now be claimed by the higher-income spouse. The cost of the deduction will rise, resulting in an even larger proportion of the province's child care spending being provided in the form of tax relief.

## Subsidized Care for Low-Income Families

In each province and territory, subsidies for child care are made available to assist low-income families. Both the level of subsidy offered and the number of subsidized spaces provided are established by provincial and territorial governments in accordance with their own priorities. Under the Canada Assistance Plan, the federal government offers to cost-share on a 50-50 basis any level of expenditures initiated by the provincial or territorial government that benefits families "in need" or "likely to become in need." However, as we shall see in this section, because of several design characteristics of C.A.P., not all provinces can cost-share all of their expenditures made on behalf of low-income families within their borders.

### Eligibility for Assistance

Eligibility for subsidized child care is determined by a needs or income test set by each provincial and territorial government. Table 8.4 shows levels of net family income at which families were eligible for full and partial subsidies in each province and territory in the last quarter of 1984.

Ontario and the Northwest Territories use a *needs test* to determine eligibility for subsidized care. A needs test takes into account the applicant's budgetary requirements and the family's income and resources available to meet those requirements. Any surplus in the family budget is allocated to child care costs, and the child care subsidy makes up part or all of the difference. Federal guidelines set out general criteria that must be observed by the province or territory in establishing a needs test in order to benefit from federal cost-sharing under C.A.P. Both Ontario and the Northwest Territories use a less stringent needs test to determine eligibility for child care services than they use to determine eligibility for social assistance (welfare).

The remaining nine provinces and Yukon use an *income test* to determine eligibility for subsidized child care. Unlike the needs test, an income test examines only the family's income; subsidies are provided to families whose incomes fall below a certain level. The level of income at which families are eligible for subsidized care varies considerably from one province or territory to another. In eight of the ten jurisdictions using an income test, a single parent with two children was eligible for full subsidy in 1984 only if the family's *net income* was below $1200 per month (equivalent to a gross employment income of $14 700 per annum); in four jurisdictions the income test was less than $1000 per month (gross: $11 300 per annum). In Newfoundland the income test before 1985 was so strict that a single parent working full time at minimum wage was not eligible for full subsidy. As of September 1, 1985, Newfoundland raised its income test, with the result that a single parent with two children and a monthly net income of $777 became eligible for full subsidy in Newfoundland.[29] Of all provinces using an income test, Saskatchewan has the most generous limits. Single-parent families with two children in Saskatchewan were eligible for full subsidy at gross income levels of up to $20 880, and partial subsidy at gross incomes up to $42 960 in 1984.

Federal likelihood of need guidelines establish the maximum incomes for families considered likely to be in need and thus eligible for subsidized child care services, which are cost-shared by the federal government under C.A.P. The level of income provided by the combined Old Age Security (OAS) pension and the Guaranteed Income Supplement (GIS) is used as the basis for the calculation, with adjustments for family size. Since OAS and GIS are indexed to the Consumer Price Index and adjusted quarterly, maximum incomes for those eligible to receive cost-shared welfare services also change every quarter.

Like the provincial income tests, the federal guidelines set two income tests for each family. Families with incomes below the first test (called the *turning point*) are eligible for full subsidy. Families with incomes above this level may be required to contribute up to 50 per cent of any income above the turning point towards the cost of child care, up to a family income equal to the second test (the *break-even point*), at which

## TABLE 8.4

### Net Monthly Incomes Determining Eligibility for Subsidized Child Care, 1984

| Province/Territory | Single Parent One Child ($) | Single Parent Two Children ($) | Two Parents One Child ($) | Two Parents Two Children ($) |
|---|---|---|---|---|
| British Columbia | 875/1315 | 1005/1853 | 1005/1445 | 1105/1953 |
| Alberta | 1130/1461 | 1250/1821 | 1330/1651 | 1430/1991 |
| Saskatchewan | 1417/2023 | 1557/2673 | 1503/2154 | 1659/2882 |
| Manitoba | 960/1556 | 1138/2330 | 1138/1734 | 1316/2508 |
| Ontario* | 1407/1740 | 1571/2237 | 1781/2114 | 1904/2570 |
| Quebec | 925/1633 | 975/2475 | 1025/1733 | 1075/2575 |
| New Brunswick | 832/1322 | 880/1844 | 920/1410 | 971/2121 |
| Nova Scotia | 980/1407 | 1040/1467 | 999/1467 | 1059/1527 |
| Prince Edward Island | 740/1260 | 960/1480 | 960/1480 | 1080/1600 |
| Newfoundland | 410/950 | 430/970 | 430/970 | 470/1010 |
| Northwest Territories* | 1303/1743 | 1406/2286 | 1406/1846 | 1500/2380 |
| Yukon** | 1010/1501 | 1100/2091 | 1180/1671 | 1290/2281 |

**Source:** Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

**Notes:** The net incomes presented in this table are family incomes, after mandatory deductions for income taxes, unemployment insurance and Canada/Quebec pension plan contributions.

In each column, the first figure is the turning point below which families were eligible for full subsidy, and the second figure is the break-even point. Families with net incomes between these two amounts were eligible for a partial subsidy in 1984. Those with incomes above the break-even point were ineligible for subsidy. These turning points and break-even points applied in December, 1984.

*Ontario and the Northwest Territories use a needs test. In both jurisdictions we have assumed the family's expenses to be equal to the maximum allowances for a "standard" applicant provided under the tests.

**Higher income limits apply to areas of the territory outside the Whitehorse region.

point the partial subsidy ceases. In December 1984, the federal government was willing to cost-share child care services to families with net incomes up to the levels shown in Table 8.5

As can be seen by a comparison of Tables 8.4 and 8.5, no province or territory uses an income test as generous as the one established in the federal guidelines. For example, in December 1984, the federal government would have cost-shared a full subsidy for a single-parent family with two children earning a maximum net income of $1836 per month (gross employment income $25 700 per annum) and a partial subsidy up to $2754 (gross employment income $44 300 per annum). In eight of the ten jurisdictions using an income test, the maximum net income set for full subsidy for such a family was less than $1200 per month, and partial subsidies ceased at incomes below $1900 in seven provinces. The needs test applicable in Ontario and the Northwest Territories, while more generous than the income tests applicable in most other jurisdictions, are also not as generous as the federal guidelines would allow. C.A.P., therefore, provides a vehicle for federal cost-sharing of child care subsidies for a much wider range of Canadian families than are currently eligible for subsidized care.

There are advantages and disadvantages to both the income and the needs test. The income test is simpler to administer, is more easily understood by claimants and administrators alike, and is much less intrusive on the family's privacy than is the needs test. On the other hand, the needs test may take into account unusual circumstances or expenditures, thereby more accurately assessing the actual need of individual families.

> *. . . my husband is a rancher. Because of our economic problems, I am working to ensure food on our table — a definite monthly income. I have approached Social Services, regarding subsidies for child care for lower-income families. My husband's gross income is large but his net income is almost nil. ($150 per month). Between the two of us we clear just over $1000 per month. I have been turned down for a child care subsidy because of my husband's gross income, with no consideration as to our individual situation or net income (what I consider our living income).*
>
> *Name and Residence Withheld*

Some provinces give priority to one or more eligible groups of families. British Columbia, for example, gives some priority to single parents. In Prince Edward Island, subsidies are provided primarily to single-parent families; children in two-parent families are eligible for subsidy only if they are in need of protection, are physically or mentally handicapped, socially or culturally deprived, or have developmental problems.

### Level of Assistance to Families

Each province and territory decides the proportion of child care costs it will cover for families receiving subsidies. Newfoundland and Prince Edward Island provide subsidies equal to the full cost of child care for eligible low-income families.

In Ontario, while the provincial government maintains a policy discouraging minimum user fees, it permits municipalities to impose them and most do so. For example, in Metropolitan Toronto in 1984, employed parents who qualified for the maximum subsidy were required to contribute between $22 and $33 per month for the care of their children.

The remaining seven provinces and both territories set a ceiling on assistance, and parents pay the balance. In some jurisdictions the contribution expected of low-income parents is very small; in others it can be substantial. A study conducted for the Task Force found that in British Columbia, Saskatchewan and Quebec, parents who qualified for the maximum subsidy in 1984 would have been required to pay on average $175, $149 and $139 per month, respectively, for the care of two children.[30] In Manitoba and Nova Scotia, on the other hand, parents who qualified for the maximum subsidy were required to contribute only $20 and $26 per month, respectively, for the care of two children. The maximum subsidy allowed in New Brunswick in 1984 was high enough that families with children enrolled in centres charging average fees received care free of charge. The ceilings in Alberta were also close to the average cost of care, but the province requires parents to contribute a minimum user fee of $45 per family per month.

## Coverage

Most provincial, and both territorial, governments also limit the number of spaces that will be subsidized within their boundaries each year. In the case of Quebec, the government does not limit the number of subsidized spaces, per se, but controls spending by controlling the overall growth of the licensed child care system.

### TABLE 8.5

### Net Incomes of Families Eligible for Federal Cost-Shared Care Subsidies

| Family Composition | Maximum Monthly Income Allowed for Full Subsidy ($) | Monthly Income Level Terminating Partial Subsidy ($) |
|---|---|---|
| **Single parent** | | |
| one child | 1 836 | 2 754 |
| two children | 2 142 | 3 213 |
| **Two adults** | | |
| one child | 2 142 | 3 213 |
| two children | 2 448 | 3 672 |

**Source:** Social Service Programs Branch, Health and Welfare Canada.

**Notes:** These guidelines were applicable in December 1984. The figures represent net monthly income levels for the family after deductions for income taxes and other involuntary deductions (i.e., unemployment insurance premiums and Canada/Quebec pension plan contributions). Each additional child raised the limit by $306 per month.

Maximum incomes applicable from October to December, 1985 were: $1910/2865 for a single parent with one child; $2228/3342 for a single parent with two children; $2228/3342 for two parents with one child; $2546/3819 for two parents with two children.

In some provinces, a portable subsidy or voucher is provided to the family, which may be used to purchase child care at any approved licensed facility. In others, subsidized spaces are allocated to individual centres or licensed family child care homes, and families queue up for available spaces in these facilities.

Subsidized spaces are severely limited in virtually every community in Canada. Waiting periods of a year or more are commonplace for a subsidized space. An estimate produced for the Task Force concluded that fewer than 20 per cent of children under six in two-earner or single-parent families with incomes below the average provincial/territorial break-even point actually received subsidized child care in 1983.[31] In that year there were approximately 70 000 subsidized child care spaces across Canada, while there were some 363 000 children under the age of six in families that met the eligibility criteria for subsidized care (family income below the threshold and mother in the labour force). Even if every subsidized space in 1983 had been reserved for this group of children — and we know that some were occupied by 6-to-12-year-olds after school, and others by children referred by child welfare authorities as being "in need of protection" — sufficient spaces existed in that year to serve fewer than one in five of them.

## Conditions of Federal Cost-Sharing

### *Profit and Non-Profit Child Care*

Federal funding for child care is provided through two sets of provisions in the Canada Assistance Plan: the *social assistance provisions* and the *welfare services provisions*. Application of one or the other of these provisions affects the types of services that are cost-shareable under the plan.

Under the social assistance provisions, provinces may provide assistance to persons in need, as determined by a needs test. Child care services may be purchased by the government on behalf of the parent, or by the parent from any agency approved by the province, including both non-profit centres and centres operated for profit.

The welfare services provisions, on the other hand, extend assistance to persons in need and persons likely to become in need if the assistance is not provided, usually as determined by an income test. The income test examines only the family's income; subsidies are provided to families whose incomes fall below a certain level. The subsidy is paid directly to the child care agency. Services provided by the province or a non-profit organization are eligible for cost-sharing by the federal government; services provided by a child care centre operated for a profit are not.

Within each jurisdiction, child care services can be financed through either set of provisions or a combination of the two. The social assistance provisions are used in all provinces and territories to subsidize child care costs approved for persons receiving social assistance (welfare).[32] These families, which have already been subject to a needs test in order to qualify for social assistance, may obtain subsidized care from either a non-profit organization or a child care centre operated for profit.

A needs test is also used in Ontario and the Northwest Territories to qualify low-income wage earners for child care subsidies. Thus, in these jurisdictions, care in centres operated for a profit is eligible for cost-sharing by the federal government under the social assistance provisions of C.A.P. The welfare services provisions are, however, used in Ontario to fund spaces in centres owned and operated by municipalities.

The provisions used in each jurisdiction to secure federal cost-sharing have implications for the distribution of federal spending on subsidized care across the country. The provincial and territorial governments that use an income test to qualify low-income wage-earning families cannot make a claim for care in a centre operated for a profit (although welfare recipients may obtain subsidized care in such centres). In Alberta, where 70 per cent of spaces are in centres operated for a profit, the federal government contributed only 19 per cent of the total $21.1 million budget in 1984-5 for financial assistance to low-income families.[33]

Restrictions on subsidies to centres operated on a profit basis have been viewed positively by some as a curb to the expansion of this type of centre. In rural areas of some provinces, however, only centres operated for profit are available, and restrictions on subsidies to these centres limit families' access to subsidized care.

### *Cost-Shareable Expenditures*

For provinces making claims under the *social assistance provisions* of C.A.P. (that is, Ontario and the Northwest Territories), the amount that is cost-shared is the amount paid for the service by the provincial government to, or on behalf of, the person in need. Whatever the province is willing to pay, 50 per cent of that cost will be borne by the federal government. According to the C.A.P. regulations, if the service is provided through a non-governmental agency, whether commercial or non-profit, the cost that is shared is based on the actual fee charged by the agency. However, if a provincial or municipal agency provides the service (for example, through a municipal child care centre), the fees charged may not exceed the actual cost of providing the service, if they are to be eligible for cost-sharing under C.A.P.

In contrast, for claims made under the *welfare services provisions* of C.A.P., (i.e., claims by all other provinces and Yukon), the federal government shares the actual operating costs of the agency providing the service. These costs include salaries and fringe benefits, training, research, materials and supplies, food and other similar operating costs.

Capital costs are not cost-shareable, per se. However, rental of equipment and premises, as well as depreciation on purchased equipment and premises, are eligible for federal cost-sharing under C.A.P.

## Advantages and Disadvantages of C.A.P.

The Canada Assistance Plan was designed as a mechanism to permit federal cost-sharing of services to alleviate poverty in Canada. Under this program the federal government has made an open-ended commitment which, if taken up by the provincial and territorial governments, would provide on a cost-shared basis, fully or partially subsidized care for all families in Canada with low and moderate incomes. The fact that this has not occurred is a reflection of provincial and territorial priorities, as well as of available resources.

Because it is a vehicle to assist the poor, C.A.P., has not been, nor in the view of the Task Force, will it ever be, capable of forming a funding base for the establishment of a system of child care that is accesssible to all children. We will return to the question of the role that C.A.P. would play in a new system of child care in Part III of this report.

## Operating Grants

Alberta, Saskatchewan, Manitoba, Quebec and New Brunswick provide operating subsidies to licensed child care facilities.

Alberta provides a subsidy for each space in licensed centres serving children under the age of six. In 1984 the subsidies ranged from $257 per month for spaces for infants 18 months and younger, to $65 per month for spaces for five-year-old children. In Alberta, subsidies are paid to centres operated for a profit as well as to non-profit centres.

The Saskatchewan government provides an operating grant for each space in northern regions of the province, and annual equipment grants to both centres and licensed family child care homes. In 1984 the amount of the operating grant was $20 per month; annual equipment grants were $100 per space for centres, and $50 per space for licensed homes.

Manitoba provides, to both centres and licensed family child care homes, annual maintenance and audit grants. The amounts in 1984 were $922 per space in non-profit centres, $345 per space in licensed group child care homes, and $175 per space in licensed family child care homes. An additional grant of $1651 per infant space was provided to centres, and $559 to licensed group and family child care homes. In Manitoba, maximum user fees are set by provincial regulation for centres and licensed homes that receive the grants. More than 80 per cent of licensed child care spaces in the province received these grants in 1985.

Quebec provides operating and accommodation grants to non-profit centres that have parent-controlled boards, and to co-operatives. In 1984 the amounts were $3.50 per space per day, and 50 per cent of accommodation costs up to $8000 per centre, annually. Agencies supervising family child care homes received operating grants of $2 per space per day. For infant care, an additional $1500 per space was provided annually to both centres and licensed family home care programs. The Quebec government, through the Ministry of Education, also provides small annual grants to child care centres sponsored by local school boards for school-aged children. In 1985, grants of $200 per space were provided to finance excursions, and for purchase of materials and equipment. An additional $100 per space was provided to school-aged programs in low-income neighbourhoods to subsidize nutritious snacks, and $200 was provided for each handicapped space.

New Brunswick provides an annual equipment grant and a small operating subsidy. In 1985, the amounts were $1500 per centre for equipment, and 30 cents per day for each child in attendance.

The stated intention of these grants is to reduce user fees for parents, or to permit improvements to the quality of service, or both. The issue of quality of service is a difficult one to assess. Certainly *minimum* standards in these provinces do not exceed those in other jurisdictions, as we saw in Chapter 7. User fees, on the other hand, do appear to be lower in these provinces than in others that do not provide operating grants, as we shall see in a subsequent section of this chapter.

Operating grants comprise a much larger proportion of total provincial child care spending in Alberta and Manitoba than in the other three provinces providing such grants.[34] In Alberta, these grants comprised 46 per cent of total provincial spending on child care in 1984-5, and in Manitoba 39 per cent. Quebec's expenditure on operating subsidies, at $16.6 million, was only 14 per cent of total child care spending by the province, due to that government's emphasis on tax measures to support child care. Operating subsidies comprised just 4 per cent of provincial spending in New Brunswick, since the per diem subsidy was much smaller than that provided in the first three provinces. Expenditures by the Saskatchewan government on operating subsidies and annual equipment grants also comprised a very small proportion of that government's total spending on child care in 1984-5.

Because the operating grant makes up part of the cost of providing subsidized care for children from low-income families in these provinces, the federal government will cost-share the grant for those spaces occupied by children receiving subsidies. Because each of these provinces uses an income test to qualify families for subsidies, only grants paid to non-profit centres are eligible for federal cost-sharing. Thus, the federal government contributed an estimated $9.7 million, or approximately 18 per cent of the budgets for operating grants in these provinces in 1984-5.[35]

## Grants for Start-up, Renovation or Relocation

Most provincial governments provide grants for start-up, expansion, renovation and/or relocation of child care centres.[36] In most provinces, the grants are restricted to non-profit centres. In 1984-5, total spending on start-up and repair grants amounted to $7.6 million in Canada, approximately 1.4 per cent of total child care spending by governments.

Quebec provides the most generous grants, at $1000 per space in 1984 for start-up or expansion, and $500 per space for renovation of older centres. The Quebec Ministry of Education provides grants for start-up of centres for school-aged children; the amount provided was $3000 per centre in 1985.

Only Saskatchewan and Manitoba extend start-up grants to licensed family child care homes as well as to centres. The government of Saskatchewan provided start-up grants of $200 to each licensed child care home in 1984, compared to $600 per space for centres. In 1984 the government of Manitoba provided start-up grants of $286 per full-time space in licensed centres; $233 per space in nursery schools and school-aged child care centres; and $175 per space in group day care homes and licensed family child care homes. In 1984-5 special grants were extended to day care centres and licensed family homes to assist with renovations needed to meet the new day care regulations.

As we have already indicated, the federal government will not cost-share grants for capital purchases or renovations in the year in which they are provided.[37] Rather, it offers, under C.A.P., to cost-share that portion of the depreciation on the capital property that is attributable to the subsidized spaces in the centre. Take for example, a centre with 30 spaces (including 20 subsidized spaces) that undertakes a renovation costing $15 000 to improve the outdoor play-space. The provincial government provides a renovation grant of $200 per space for a total of $6000. The new equipment is expected to have a useful life of 20 years. Using the straight-line depreciation method, annual depreciation on the renovation and new equipment installed would be approximately $300, of which two-thirds ($200) is eligible for federal cost-sharing (since 20 of the 30 spaces were subsidized). The federal government would, therefore, contribute one-half of this amount, or $100 per year over the next 20 years.

Provincial and territorial governments, therefore, must initially provide capital contributions alone, since contributions received from the federal government under C.A.P. are provided years after the provincial expenditure is made.

## Programs for Children with Special Needs

Most provinces provide special grants to cover the additional costs incurred by centres that provide care for handicapped or special-needs children.[38] The definition of children and families that qualify under these programs varies from province to province, as does the level of assistance provided. The government of Ontario, for example, supports a range of child care programs for physically and developmentally handicapped children, including both integrated and segregated programs. However, the definition of special needs employed by some other provinces encompasses a wider range of disabling or handicapping conditions including, in Alberta for example, physical, mental, sensory or communication handicaps, developmental delay, and diagnosed hyperactivity. The government of New Brunswick operates five Head Start programs to serve socially disadvantaged children in the province as part of its special-needs program.

In most provinces that have a special-needs child care program, the government provides financial assistance to cover the *additional costs* associated with the care of the special-needs child. Parents are expected to pay the usual fee for the service, unless the family qualifies for a subsidy based on income. In Prince Edward Island, however, assistance with the cost of special-needs care is provided only to families that qualify for the income-tested subsidy. The government of Prince Edward Island pays the full cost of care for eligible special-needs children.

Government contributions may cover renovations to the centre, purchase of special equipment, staff training, salaries for specialized staff and the additional planning or administrative time required to prepare individual development plans for each special-needs child served. In British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia and Prince Edward Island, the level of funding provided is negotiated on a case-by-case basis. The provinces of Saskatchewan, Manitoba and Quebec set maximum allowances for each special-needs space.

The federal government will cost-share, under C.A.P., only that portion of these expenditures that have benefited children who qualify for subsidized care based on income. Total spending on special-needs child care programs in Canada in 1984-5 amounted to some $23.6 million, or just $50 for each of the estimated 470 000[39] handicapped or disabled children under 13 years of age in the country.

## MUNICIPAL GOVERNMENT SPENDING ON CHILD CARE

Municipal involvement in funding child care depends on delegation of authority from a province, as well as the initiative of municipal councils.[40]

Ontario and Alberta have delegated responsibility for some aspects of child care to the municipalities. Administration of social services, including child care subsidies, has been delegated to the municipalities in Ontario, which establish local priorities and programs. Ontario municipalities are also required to participate in C.A.P., providing 20 per cent of funds to complement the province's 30 per cent share. The province is the approving authority for budgets, however, and it may choose not to approve the full child care budget requested by a municipality. Without budget approval, the municipalities may be unable to implement programs for which they are prepared to commit the required 20 per cent. Until 1980, Alberta municipalities had similar authority, but now are responsible only for before- and after-school programs, with some access to C.A.P. funding and other sources of provincial funding.

As has already been mentioned in Chapter 3, a number of municipalities in Alberta and Ontario have operated child care centres to partially meet the responsibility delegated by the provincial government. However, these centres comprise a very small proportion of child care spaces in these two provinces. Enabling legislation in two other provinces — Nova Scotia and Quebec — permits municipalities to apply for licenses to operate child care facilities, but only one municipality (Verdun, Quebec) has done so to date. As of April 1, 1985, the Quebec government made available a $4 per day per child subsidy for municipally-run centres in the province, but no additional municipalities have followed Verdun's example.

Apart from discharging responsibilities delegated to them by provincial governments, various municipalities have opted to fund specific child care projects on their own initiative. For example, the City of Vancouver has given limited capital grants to new centres, and has provided start-up and operating grants to an infant care centre for children of teenaged mothers and to an emergency child care service for sick children, both sponsored by the YWCA. The City of Vancouver also provided some funding for a child care information service, operating as part of the City's general phone-in referral service, when provincial funds for a day care information office were cut. The City of Toronto provides grants to non-profit centres to improve staff salaries, and the City of Edmonton provides financial assistance to non-profit centres that meet higher standards set by the City.

Other cities provide indirect assistance through such measures as provision of low-rent and rent-free premises, or exemption from property taxes. Reduced rent facilities in unused school space are often provided by boards of education. Other municipally-owned property can also be made available for child care services. In 1984, there were, for example, 28 child care centres situated in municipal buildings in the province of Quebec.

A small number of municipalities have begun to take child care into consideration when approving new development projects. Vancouver's Social Planning Department reviews both non-profit housing development proposals and major private applications to determine if space for a child care centre can or should be included in the project. Land or space in some developments have been provided by the developer, usually in return for concessions on density or other zoning requirements.

## FEDERAL AND PROVINCIAL/TERRITORIAL SHARES OF SPENDING

The relative shares of total spending contributed by the federal and provincial or territorial governments vary considerably from one jurisdiction to another, as Table 8.6 shows. Federal expenditures on child care in 1984-5, at $216 million, comprised 40 per cent of overall expenditures, but in seven jurisdictions (Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Yukon and the Northwest Territories), the federal share was 50 per cent or more of the total.[41]

The federal share of total child care spending is smallest in Alberta (27%) and Quebec (29%). The Alberta government provides substantial operating grants to both profit and non-profit centres. These grants comprised 46 per cent of the province's total spending on child care in 1984-5. The Alberta government also recovers a very small proportion of its subsidies to low-income families under C.A.P., since 70 per cent of child care centres operate for a profit in the province. The Quebec government also offers operating subsidies, and only an estimated 32 per cent of these expenditures was recovered from the federal government

### TABLE 8.6

### Federal, Provincial and Territorial Child Care Expenditures, 1984-1985

| Province/Territory | Total ($ millions) | Per Capita ($) | Federal ($ millions) | Provincial ($ millions) | Federal Share (%) |
|---|---|---|---|---|---|
| British Columbia | 45.1 | 88 | 21.8 | 23.3 | 48 |
| Alberta | 65.4 | 134 | 17.5 | 47.9 | 27 |
| Saskatchewan | 18.1 | 86 | 9.7 | 8.4 | 54 |
| Manitoba | 25.4 | 124 | 10.8 | 14.6 | 43 |
| Ontario | 188.3 | 118 | 88.3 | 100.0 | 47 |
| Quebec | 168.2 | 142 | 49.4 | 118.8 | 29 |
| New Brunswick | 9.7 | 67 | 5.5 | 4.2 | 57 |
| Nova Scotia | 13.2 | 80 | 7.6 | 5.6 | 58 |
| Prince Edward Island | 1.6 | 60 | 1.0 | .6 | 61 |
| Newfoundland | 6.1 | 45 | 3.7 | 2.4 | 60 |
| Northwest Territories | .8 | 57 | .6 | .2 | 72 |
| Yukon | .4 | 85 | .2 | .2 | 54 |
| **Totals** | **542.3** | **116** | **216.1** | **326.2** | **40** |

**Source:** Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

**Notes:** Per capita amounts indicate total spending per child under 13 in the jurisdiction.

under C.A.P. in 1984-5. However, 67 per cent of all spending on child care by the Quebec government is offered in the form of tax assistance under the Quebec income tax system, a situation that is unique to that province.

## ADEQUACY OF GOVERNMENT CHILD CARE SPENDING

Total government spending on child care was $542 million in 1984-5, when there were some 4.7 million children under 13 in Canada, 2 million of whom had parents who worked or studied a substantial part of each week.[42] This represents a contribution of just $116 for each child under 13 years of age in the country. As Table 8.6 shows, per capita expenditures varied by province or territory in 1984-5, from a low of $45 in Newfoundland to a high of $142 in Quebec. In all parts of Canada, the low per capita expenditure reflects the reality that only a small minority of Canadian families using child care derive any benefit from existing financing measures.

Another way to assess the adequacy of current spending is to compare it to the total cost of providing care for Canadian children requiring it today. In a study commissioned by the Task Force, it was found that, using current standards for staff:child ratios and prevailing wage rates in the industry, the cost of providing care for all Canadian children who required it in 1984 would have been $7.1 billion.[43] This figure assumes that all of the 1 950 000 children whose parents worked or studied at least twenty hours each week received full-day care that met minimum provincial licensing requirements; that all *other* 2-to-5-year-olds (some 1 010 200 children) attended half-day nursery school that met the same standards; and that all *other* children under two (an estimated 556 300 infants) received child care on an intermittent basis that averaged 12 hours weekly. Government spending of $542 million represents less than 8 per cent of this total program cost.

Most Canadian children, as we saw in Chapters 3 and 4, are not receiving the care they need. Many children who are at home with one parent or who have a parent who is employed for fewer than 20 hours per week, have little opportunity to participate in a nursery school program. Part-time and drop-in child care programs are virtually non-existent. Children in the *core need* group, whose parents work or study at least twenty hours each week, do receive some form of child care, although in many cases care of an inadequate quality. The cost of providing care that met minimum provincial/territorial standards for this group would have been approximately $4.0 billion in 1984. Even if the entire $542 million government spending benefited only this group, this would leave a deficit of some $3.5 billion. We can conclude that parents are paying some $3.5 billion annually in after-tax dollars for the care of their children, or that the care provided falls short of minimum standards, or that caregivers are subsidizing the cost of this care through forgone earnings, or, as is most likely the case, some combination of the three.

Certainly, an expenditure of $542 million is insufficient to support a system that would attempt to meet the needs of either the core need group, or the minimum needs of the whole population of children in Canada.

## IMPACT ON FAMILIES

We have just seen that combined spending on child care by the federal, provincial and territorial governments amounted to $542 million in 1984. Expressed on a per capita basis, this total represented an expenditure of just $116 per child under 13 in Canada. We have seen also, that the vast majority of low-income families do not have access to subsidized child care, and that only a minority of families claim the Child Care Expense Deduction on their income-tax returns.

The licensed child care system, as it exists in most provinces and both territories, is a *user-fee* system. That is, the users pay the full cost of the service, unless they qualify for a subsidy due to their low income. This situation provides a stark contrast to the public school and health care systems, which will be described in Chapter 10. The great majority of families of all income levels, unable to locate a licensed child care space for their children, turn to services offered in an unlicensed, *grey* market. Some caregivers in this market provide receipts, enabling parents to avail themselves of the minimal assistance provided by the Child Care Expense Deduction, but most do not.

What impact do these programs have on individual families? The net and proportionate benefits derived from the system by families is affected by four interlocking factors: type of child care used; prevailing prices for care; design of provincial financing programs; and level of family income.

The type of child care used by a family is determined, in part, by parents' preferences, but also by availability and price of the various types, all of which are in turn affected by (among other things) the design of provincial financing measures. For low-income families, the type of care selected is affected by applicability of subsidies to particular types of care, and availability of a subsidized space. In the discussion that follows, prevailing prices for child care are examined, together with illustrations of the impact of existing financing measures on typical families.

### The Market Price for Child Care

As discussed in Chapter 1, attempts have been made to determine average expenditures by families for child care. For reasons stated in that chapter, an average expenditure figure masks variations based on use of paid care on a part-time or part-year basis, or special arrangements that some consumers are able to make with relatives or neighbours. In order to examine the adequacy of existing financing measures, a more relevant point of departure is the amount that would be paid by a consumer purchasing child care at prevailing market prices.

Information on fees charged by licensed and unlicensed facilities was obtained by a Task Force telephone survey of 429 child care centres, 126 licensed family child care homes, 26 licensed family child care home agencies, and 515 unlicensed family child care providers across the 10 provinces.[44] A systematic sample of licensed facilities was selected from lists provided by provincial day care officials to ensure that various regions within each province were represented, and at least 10 per cent of licensed facilities in each province were included.[45] A list of unlicensed family child care homes across Canada that advertised in major daily newspapers between August 1, 1984 and September 23, 1984 was prepared, and 10 per cent of these homes were surveyed. It should be noted that, since unlicensed caregivers in smaller communities and those who advertise by word of mouth, in local newsletters, or on bulletin boards have been excluded from the sample, prices for unlicensed care may be somewhat overstated.

Results of this survey indicate, as might be expected, that national average prices were highest for licensed centre care, followed by licensed family home care, and lowest for unlicensed care. National average annual fees for preschool centre care, at $3443, were 13 per cent higher than fees for unlicensed care ($3055). National average fees for infant centre care were 31 per cent higher than for unlicensed care. Licensed family home care was, on average, 13 to 14 per cent more expensive than was unlicensed family home care.

Average prices in individual provinces reveal some interesting regional variations. In two provinces (Ontario and Saskatchewan), average prices followed the expected pattern, with significantly higher prices for

## TABLE 8.7

### Fees Charged for Care of Infants and Preschoolers in Licensed and Unlicensed Facilities, By Province, 1984

| | Infants | | | Preschoolers | | |
|---|---|---|---|---|---|---|
| Province/Territory | Licensed Centre $ | Licensed Family Home $ | Unlicensed Family Home $ | Licensed Centre $ | Licensed Family Home $ | Unlicensed Family Home $ |
| Newfoundland | — | — | 2 930 | 3 450 | — | 2 980 |
| Prince Edward Island | 2 870 | 2 130 | 2 620 | 2 930 | 2 400 | 2 600 |
| Nova Scotia | 3 110 | 3 080 | 2 930 | 3 140 | 2 930 | 2 670 |
| New Brunswick | 2 580 | — | 3 270 | 2 500 | — | 3 080 |
| Quebec | 3 450 | 2 930 | 2 890 | 3 300 | 2 980 | 2 840 |
| Ontario | 5 010 | 3 530 | 3 050 | 3 820 | 3 480 | 3 050 |
| Manitoba | 3 510 | 3 010 | 3 030 | 3 060 | 2 950 | 3 080 |
| Saskatchewan | 4 060 | 3 770 | 3 340 | 3 660 | 3 660 | 3 080 |
| Alberta | 3 220 | 3 590 | 3 030 | 3 240 | 3 350 | 3 200 |
| British Columbia | 5 220 | 3 740 | 3 820 | 3 450 | 3 610 | 3 540 |
| **Weighted Average** | **4 049**[a] | **3 531**[b] | **3 100**[c] | **3 443**[a] | **3 448**[b] | **3 055**[d] |

**Source:** Adapted from Rubin Todres Consultants Ltd., "The Price of Child Care in Canada: A National Survey," A report prepared for the Task Force on Child Care, (Ottawa: December, 1984).

**Notes:** Fees are the amount that would be charged by a facility for a space occupied on a full-day basis, five days each week, for 52 weeks of the year. Fees are rounded to the nearest $10.

[a] Weighted average reflecting the distribution of licensed centre spaces across the country.

[b] Weighted average reflecting the distribution of licensed family home spaces across the country.

[c] Average weighted by the distribution of children under two years of age.

[d] Average weighted by the distribution of children aged two to five inclusive across the country.

centre care than for licensed family home care, which, in turn was significantly more expensive for users than was unlicensed care. Average prices in Nova Scotia and Quebec also followed this pattern, but the drop in prices at each step was much less pronounced. In the remaining five provinces for which data on prices for licensed and unlicensed care are available, average prices followed quite different patterns.

Licensed family home care was the most expensive alternative in Alberta for infants as well as for preschoolers, and in Saskatchewan and British Columbia it was the most expensive alternative for preschool-aged children. In four provinces (Prince Edward Island, New Brunswick, Manitoba and British Columbia), average prices for unlicensed care exceeded prices for licensed family home or centre care or both, for children in both age groups.

In which provinces are child care services the most costly? We note that average prices for infants and preschoolers were found to be lowest in the four Atlantic provinces, and lowest of all for licensed centre care in New Brunswick, a province that provides operating and equipment grants to licensed centre spaces. Among the remaining six provinces, those providing substantial operating grants to licensed spaces (Alberta, Manitoba and Quebec) consistently showed lower annual average fees than provinces without such grants (Ontario, Saskatchewan and British Columbia), suggesting that at least a portion of these grants is passed on to consumers in the form of lower fees. Child care fees in British Columbia are among the highest for all three types of care for both age groups.

These results indicate that in 1984, those parents who paid full market prices for child care could expect to pay at least $3500 for child care that met minimum provincial standards, with average fees for infant centre care exceeding $5000 per annum in some provinces.

We described in Chapter 4 the needs of families with school-aged children for care before and after school, during lunch hour, all day during summer holidays and school closures. Converting the hourly rates obtained in our survey to an annual figure, we find that parents working full-time in 1984 with one school-aged child would have incurred a cost of $2200 to $2500 for child care in the year.

Unlike the situation for infants and preschoolers, fees for school-aged care in the Atlantic provinces were not substantially lower than fees in the other provinces. Average annual fees for licensed centre care in Quebec were significantly lower than elsewhere, no doubt because school boards in the province are required to provide rent-free space for school-aged child care programs, and because the Quebec Ministry of Education provides operating grants to these programs.

Licensed family home care was found to be the most expensive alternative in four provinces (Quebec, Manitoba, Saskatchewan and Alberta). Unlicensed care was the most expensive alternative in New Brunswick and Newfoundland. Licensed centre care was the highest-priced alternative in Prince Edward Island and Nova Scotia. In Ontario, annual fees for the two licensed alternatives were virtually identical at $2730 and $2720, and more expensive than unlicensed alternatives ($2230).

Families arranging for care of two children in the same facility sometimes receive a discount for the second child. The survey indicated that 52 per cent of the unlicensed caregivers surveyed reduced fees by an average of 45 per cent for a second child from the same family. Among licensed centres and family homes, 30 per cent reduced fees by an average of 30 per cent for a second child.

Child care fees usually included costs of meals and snacks, although in a few cases, parents were required to pay extra for milk or formula or provide it themselves. As well, five per cent of unlicensed caregivers and three per cent of licensed arrangements required parents to provide diapers. The survey found also that parents were usually required to provide transportation; this service was provided by only 1.5 per cent of the care providers surveyed.

To summarize, the survey of prices conducted for the Task Force found that, in 1984, parents could expect to pay on average $4000 for the care of an infant; $3500 for full-day care of a preschool-aged child; and $2500 for care of a 6-to-12-year-old during the year.

## TABLE 8.8

## Fees Charged for Care of School-Aged Children in Licensed and Unlicensed Facilities, By Province, 1984

| | Licensed Centre | | Licensed Family Home | | Unlicensed Family Home | |
|---|---|---|---|---|---|---|
| **Province/Territory** | **Hourly ($)** | **Year ($)** | **Hourly ($)** | **Year ($)** | **Hourly ($)** | **Year ($)** |
| Newfoundland | 1.45 | 2 070 | — | — | 2.00 | 2 860 |
| Prince Edward Island | 1.57 | 2 250 | — | — | 1.40 | 2 000 |
| Nova Scotia | 1.82 | 2 600 | 1.67 | 2 390 | 1.49 | 2 130 |
| New Brunswick | 1.57 | 2 250 | — | — | 1.64 | 2 350 |
| Quebec | 1.00 | 1 430 | 1.88 | 2 690 | 1.64 | 2 350 |
| Ontario | 1.91 | 2 730 | 1.90 | 2 720 | 1.56 | 2 230 |
| Manitoba | 1.55 | 2 220 | 1.73 | 2 470 | 1.51 | 2 160 |
| Saskatchewan | 1.73 | 2 470 | 1.98 | 2 830 | 1.51 | 2 160 |
| Alberta | 1.54 | 2 200 | 1.76 | 2 520 | 1.67 | 2 390 |
| British Columbia | 1.69 | 2 420 | 1.65 | 2 360 | 1.73 | 2 470 |
| **Weighted Average** | | **2 207**[a] | | **2 538**[b] | | **2 110**[c] |

**Source:** Adapted from Rubin Todres Consultants Ltd., "The Price of Child Care in Canada: A National Survey." A report prepared for the Task Force on Child Care, (Ottawa: December, 1984).

**Notes:** Fees for a year assume there are 195 days in the year when four hours of care before-school, lunch-time and after-school are needed, and 65 days when school is not in session and full-day care (10 hours) is required. It is assumed that care is not required during the family's two-week annual vacation during the summer months, and on seven statutory holidays during the school term, and that the school is closed for 19 days during the term for Christmas and Easter holidays, spring break and teacher development days. Child care is therefore required for a total of 1430 hours (195 × 4 + 65 × 10). Yearly fees are rounded to the nearest $10.

[a] Weighted average reflecting the distribution of licensed centre spaces across the country.

[b] Weighted average reflecting the distribution of licensed family home spaces across the country.

[c] Weighted average reflecting distribution of the population aged 6 to 12 across the country.

Average prices varied considerably from one province to another, due, in part, to local variations in wage scales and other program costs, but also to the presence of operating grants in some provinces. Market prices give only part of the picture, however, since families that pay for child care are entitled to claim a Child Care Expense Deduction on their income-tax returns, or may receive a subsidy based on income. In the section that follows, we will show the maximum benefits that families with two children might have derived in 1984 from the combined effect of the financing measures available in each province and territory, as well as their net cost for child care.

## Benefits and Costs for Families

Table 8.9 shows the effects on individual families of existing child care financing measures in each province and territory. To demonstrate the effect at different levels of family income, Table 8.9 profiles five typical families with two children (aged three and one): (1) a single parent working full-time at the provincial minimum wage ($7488 to $8840);[46] (2) a single parent earning $21 500, the average income for single parents with children under 12 in 1984; (3) a couple earning one-half the average income for two-earner couples with children under 12 in 1984 (also $21 500); (4) a couple earning the average income of $43 000 for two-earner couples with children under 12 in 1984; and (5) a couple earning twice the average income ($86 000).[47] Using the results of the Task Force survey of prices, it has been assumed, for purposes of these calculations, that each of the children was enrolled in the cheaper licensed care arrangement available in the province, and that no discount was offered for the second child.

The first column in Table 8.9 shows the average cost of providing child care for two children that met minimum standards of quality in each province and territory in 1984. To produce these cost figures, we have combined the results of the Task Force survey on prices with information on operating grants available in some provinces.[48] In those provinces which do *not* provide operating grants, it has been assumed that the cost of providing the service is equal to the average user fees obtained in the Task Force survey. In Saskatchewan, Manitoba and Quebec, which provide operating grants only to non-profit programs, as well as New Brunswick, which provides a very small operating grant, we have assumed that the full value of the operating grant passes through to consumers in the form of reduced fees, or program improvements, or both. Thus, in these four provinces, calculations assume that the cost of providing the services equals the average market price, plus the operating subsidy. In the case of Alberta, which provides substantial operating grants to profit as well as to non-profit centres, and where 70 per cent of centres operate on a profit basis, we have assumed that the children are enrolled in centres operating on a profit basis, and that only two-thirds of the value of the operating grants passes through to consumers, the remaining one-third being consumed by the business in the form of profits. Thus, the calculations for Alberta assume that the cost of providing the service equals the prevailing average market price in the province, plus two-thirds of the operating grant. Therefore, the cost of providing child care that met minimum provincial standards in 1984 for families with two children was in the order of $7000 to $8000 in the six provinces west of the Quebec-New Brunswick border, and $5000 to $6000 in the Atlantic provinces.

## TABLE 8.9

## Value of Child Care Financing Measures to and Net Child Care Expenditures by Families with Two Children Using Licensed Child Care, 1984

| Province/Territory | Cost of Providing Care | Single Parent Earning Minimum Wage | Single Parent Average Income 21 500 | Couple Half Average Income 21 500 | Couple Average Income 43 000 | Couple 2X Average Income 86 000 |
|---|---|---|---|---|---|---|
| British Columbia | 7 190 | *5 088*<br>**2 102** | *2 980*<br>**4 210** | *1 968*<br>**5 222** | *1 036*<br>**6 154** | *1 384*<br>**5 806** |
| Alberta | 9 144 | *8 444*<br>**700** | *4 160*<br>**4 984** | *3 884*<br>**5 260** | *3 716*<br>**5 428** | *4 060*<br>**5 084** |
| Saskatchewan | 7 580 | *5 790*<br>**1 790** | *6 298*<br>**1 282** | *5 790*<br>**1 790** | *1 346*<br>**6 234** | *1 598*<br>**5 982** |
| Manitoba | 6 869 | *6 633*<br>**236** | *5 820*<br>**1 049** | *5 649*<br>**1 220** | *2 017*<br>**4 852** | *2 389*<br>**4 480** |
| Ontario | 7 010 | *6 750*<br>**260** | *6 730*<br>**280** | *6 620*<br>**390** | *1 064*<br>**5 946** | *1 420*<br>**5 590** |
| Quebec | 6 950 | *5 280*<br>**1 670** | *4 240*<br>**2 710** | *3 590*<br>**3 360** | *2 560*<br>**4 390** | *3 040*<br>**3 910** |
| New Brunswick | 5 236 | *5 236*<br>**0** | *2 850*<br>**2 386** | *1 444*<br>**3 792** | *1 292*<br>**3 944** | *1 672*<br>**3 564** |
| Nova Scotia | 6 010 | *5 698*<br>**312** | *946*<br>**5 064** | *0*<br>**6 010** | *1 128*<br>**4 882** | *1 504*<br>**4 506** |
| Prince Edward Island | 4 540 | *4 540*<br>**0** | *1 160*<br>**3 380** | *0*<br>**4 540** | *1 100*<br>**3 440** | *1 464*<br>**3 076** |
| Newfoundland | 6 380 | *3 450*<br>**2 930** | *1 216*<br>**5 164** | *0*<br>**6 380** | *1 152*<br>**5 228** | *1 536*<br>**4 844** |
| Yukon | 6 600 | *6 000*<br>**600** | *4 254*<br>**2 346** | *4 008*<br>**2 592** | *1 044*<br>**5 556** | *1 392*<br>**5 208** |
| Northwest Territories | 10 560 | *10 560*<br>**0** | *9 363*<br>**1 197** | *9 084*<br>**1 476** | *1 028*<br>**9 532** | *1 372*<br>**9 188** |

**Sources:** Christine Blain, *Government Spending on Child Care in Canada,* A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E. Information on prices in each province obtained from Table 8.7. Prices for care in a centre or supervised family home care program in Yukon and the Northwest Territories are based on information obtained from territorial officials.

**Notes:** Calculations assume that each family has a three-year-old and a one-year-old, that each child is enrolled in the cheaper licensed care alternative available in the jurisdiction and that no discount is given for the second child from the same family. If the family is eligible for subsidized child care, it is assumed that spaces are available for both children. Calculations for couples assume that one spouse earns two-thirds of family income and the other one-third.

The figure shown in italics represents the maximum value of financial assistance available to the family. The figure shown in bold is the family's net expenditure for child care in the year.

The remaining columns in Table 8.9 show the impact of the available financing measures on families in each province and territory if they enrolled their children in the cheaper of licensed family home care or centre care. The maximum value of the financing measures to each family is shown in italics. Depending on the province or territory concerned, and the family's level of income, families may benefit from one or more of: (1) a full or partial subsidy; (2) tax relief (the Child Care Expense Deduction, which applies everywhere, or the optional tax credit in Quebec); and (3) operating grants (applicable in Alberta, Saskatchewan, Manitoba, Quebec and New Brunswick). The figure shown in bold represents the family's net expenditure for child care for the year.[49]

In every jurisdiction (other than Newfoundland) *single parents working full-time at the provincial minimum wage* were eligible for the maximum child care subsidy provided.[50] In three jurisdictions (New Brunswick, Prince Edward Island and the Northwest Territories), a full subsidy meant that the care was provided free of charge to the family. Thus, the figure in italics for these three jurisdictions, in the second column of Table 8.9, is equal to the total cost figure in column one; and the net cost to the family was zero.

In the remaining nine jurisdictions, the lowest-income families were required to contribute an amount toward the cost of care for their children. In Manitoba, Ontario and Nova Scotia, their contribution for the year would have been just $236, $260 and $312 respectively. In Yukon and Alberta, parents who received the maximum subsidy were required to contribute $600 and $700 respectively towards the care of their children. In three jurisdictions (British Columbia, Saskatchewan, and Quebec) substantial contributions ($2102, $1790 and $1670, respectively) were required by families that received the maximum subsidy. A minimum wage worker with two children would have been required to pay $2930 for the care of two children in Newfoundland, since subsidized child care is not provided in that province for children under the age of two, and a full-time minimum wage income exceeded the provincial turning point in 1984.

Only low-income families that reached the top of the waiting list for subsidized care received this assistance. We have already seen in this chapter that sufficient subsidized spaces existed in 1983 to serve fewer than one in five of the eligible children under six years of age across the country. The number of subsidized spaces in the country has not increased markedly since that time.

Low-income parents who are unable to locate a subsidized space have little alternative but to turn to the cheapest care providers in the unlicensed market, since the average annual fee for unlicensed care for two children — at $6200 in 1984 — was clearly beyond their means. Even if they could have obtained receipts, they would have derived no benefit from the tax relief provided in 11 of the 12 jurisdictions, since, due to their low incomes, they paid no tax. This result can be seen in Table 8.10. Quebec does provide an optional tax credit to assist these families, but at $300 for the first child and $200 for the second it represents only a small proportion of full-day fees even in the informal market. With so little financial assistance forthcoming from government, the likelihood of a low-income parent finding affordable care of even adequate quality seems remote.

> *Fees upwards of $70 per week have made it impossible for me to continue employment as a secretary earning $175-200 net*

*per week. The exorbitant cost of child care made it economically advantageous for me to be on welfare rather than remaining employed.*

*Melanie Brown*
*London, Ontario*

*If I cannot obtain a subsidy almost half of my take home pay would be spent on day care expenses. Although I am not making a large salary, I do make almost double the minimum wage in our province and wonder how people exist on a minimum wage salary when they cannot get their children into licensed day cares because of shortage of space, and therefore can receive no subsidies.*

*Patti Campbell*
*Prince Albert, Sask.*

Families with *lower middle-incomes* — for example, a single parent or couple with an income of $21 500 — were eligible for the maximum provincial subsidy in 1984 if they lived in Ontario or Saskatchewan, a partial subsidy if they lived in British Columbia, Alberta, Manitoba, Quebec, New Brunswick, Yukon or the Northwest Territories, but no subsidy if they lived in Nova Scotia, Prince Edward Island or Newfoundland. Like the lowest-income families, these families received this assistance only if they succeeded in locating subsidized spaces for their children. In Alberta, Saskatchewan, Manitoba, Quebec and New Brunswick, they would also have received the assistance provided by the provincial operating grants if their children were enrolled in the appropriate licensed care arrangements.

The contribution to the cost of the services that lower middle-income families were required to make in 1984 ranged from a low of $280 for single parents in Ontario, to a high of $6380 for couples in Newfoundland. In five jurisdictions these families were entitled to claim the full Child Care Expense Deduction of $4000, either because they paid the full cost of the care (in Nova Scotia, Prince Edward Island and Newfoundland), or because the partial fees required from them exceeded the $4000 limit allowed under the Income Tax Act. In six jurisdictions (Saskatchewan, Manitoba, Quebec, New Brunswick, Yukon and the Northwest Territories), because child care subsidies were more generous and hence the families' user fees smaller, they were entitled to claim the Child Care Expense Deduction at a reduced amount. The deduction provided some assistance to the single parent but none at all to the couple, since the lower-income spouse had an income below the taxable threshold. In three provinces, therefore (Nova Scotia, Prince Edward Island and Newfoundland), these couples bore the full cost of child care expenses for their children — some $6010 in Nova Scotia, for example, or 31 per cent of their after-tax income — without assistance from any source.

If these families used unlicensed forms of care, and were able to obtain receipts from the caregiver, they were entitled to claim a $4000 Child Care Expense Deduction, which was worth approximately $1150 to the single parent families, but nothing at all to the couples, as Table 8.10 shows. Tax assistance was more generous in Quebec, providing $1640 to a moderate-income single-parent family using unlicensed child care, and $560 to a two-parent family with a similar income.

At the upper end of the income scale, two-earner couples with two children and *average* or *twice-the-average* incomes in seven jursidictions (British Columbia, Ontario, Nova Scotia, Prince Edward Island, Newfoundland, Yukon and the Northwest Territories) received assistance with the cost of providing child care for their children only in the form of tax relief. The $4000 Child Care Expense Deduction, which the lower-income spouse was allowed to claim, was worth approximately $1060 to couples

**TABLE 8.10**

**Value of Tax Relief to and Net Child Care Expenditures by Families with Two Children Using Unlicensed Child Care, 1984**

| Province | Average User Fee | Single Parent Earning Minimum Wage | Single Parent Average Income 21 500 | Couple Half Average Income 21 500 | Couple Average Income 43 000 | Couple 2X Average Income 86 000 |
|---|---|---|---|---|---|---|
| British Columbia | 7 360 | *0*<br>**7 360** | *1 096*<br>**6 264** | *0*<br>**7 360** | *1 036*<br>**6 324** | *1 384*<br>**5 976** |
| Alberta | 6 230 | *0*<br>**6 230** | *1 092*<br>**5 138** | *0*<br>**6 230** | *1 032*<br>**5 198** | *1 376*<br>**4 854** |
| Saskatchewan | 6 420 | *0*<br>**6 420** | *1 148*<br>**5 272** | *0*<br>**6 420** | *1 088*<br>**5 332** | *1 448*<br>**4 972** |
| Manitoba | 6 110 | *0*<br>**6 110** | *1 172*<br>**4 938** | *0*<br>**6 110** | *1 108*<br>**5 002** | *1 480*<br>**4 630** |
| Ontario | 6 100 | *0*<br>**6 100** | *1 124*<br>**4 976** | *0*<br>**6 100** | *1 064*<br>**5 036** | *1 420*<br>**4 680** |
| Quebec | 5 730 | *500*<br>**5 230** | *1 640*<br>**4 090** | *560*<br>**5 170** | *1 520*<br>**4 210** | *2 000*<br>**3 730** |
| New Brunswick | 6 350 | *0*<br>**6 350** | *1 200*<br>**5 150** | *0*<br>**6 350** | *1 136*<br>**5 214** | *1 516*<br>**4 834** |
| Nova Scotia | 5 600 | *0*<br>**5 600** | *1 188*<br>**5 162** | *0*<br>**5 600** | *1 128*<br>**5 222** | *1 504*<br>**4 846** |
| Prince Edward Island | 5 220 | *0*<br>**5 220** | *1 160*<br>**4 060** | *0*<br>**5 220** | *1 100*<br>**4 120** | *1 464*<br>**3 756** |
| Newfoundland | 5 910 | *0*<br>**5 910** | *1 216*<br>**4 694** | *0*<br>**5 910** | *1 152*<br>**4 758** | *1 536*<br>**4 374** |

**Sources:** Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E. Information on prices in each province is taken from Table 8.7.

**Notes:** In nine provinces and both territories a single parent and the lower-income spouse in a two-earner family were entitled to claim a $4000 Child Care Expense Deduction for two children, if they paid average user fees for unlicensed care and had the required receipts. In Quebec, parents could claim the Child Care Expense Deduction against federal taxes and *either* a deduction or a tax credit on their provincial tax returns. The tax credit can be claimed even if no child care receipts are provided.

Calculations assume that for couples, one spouse earns two-thirds of the family income and the other one-third. It is assumed that each family has a three-year-old and an infant using unlicensed child care, and that no discount is given for the second child. Average prices for the provinces were obtained from the Task Force survey.

with a family income of $43 000, or about 17 per cent of average fees for licensed care for their children. The deduction was worth more to the couple with the $86 000 income: approximately $1420, or about 23 per cent of average annual fees for the care. Thus, the net cost of licensed child care for two children to middle- and upper-income families in 1984 ranged from $3076 to $9532, depending on the province or territory in which they lived.

In the remaining five jurisdictions (Alberta, Saskatchewan, Manitoba, Quebec and New Brunswick), these families, if their children were enrolled in licensed care, also benefited from provincial operating grants. In some provinces, these apply to licensed homes as well as to child care centres; in others, only to centres. The combined effect of the operating grants and tax relief produced benefits equal to 18 to 41 per cent of child care costs for middle-income families, and 21 to 44 per cent of child care costs for upper-income families in these five provinces. The net cost of licensed care for two children to middle- and upper-income families in these five provinces, therefore, ranged from a low of $3564 to a high of $6234, depending on the province in which they lived.

In all provinces and territories, if middle- and upper-income families used unlicensed care arrangements at average prices in 1984, and were able to obtain receipts, they were entitled to claim the $4000 Child Care Expense Deduction. The deduction was worth approximately $1100 to couples with an income of $43 000, or 18 per cent of the average cost of unlicensed child care for two children. The deduction was worth approximately $1400 to a couple whose family income was $86 000, or 23 per cent of their outlay for child care at average informal market prices.

Because the value of the Child Care Expense Deduction rises with income, the combined value of all measures to a family with two children and an income of $86 000 was higher than for couples with a $43 000 income in all provinces. In three provinces (Nova Scotia, Prince Edward Island and Newfoundland), the benefits derived from the Child Care Expense Deduction by high-income families earning $86 000 also exceeded benefits available to couples and single parents earning $21 500 per year. In New Brunswick, a single parent earning $21 500, who found subsidized child care for his or her children, received slightly more benefit than a couple earning $86 000, but a couple earning $21 500 derived less benefit. In all other jurisdictions, families earning $21 500 and minimum wage workers derived more benefit from existing financing measures than did middle- and upper-income families, *but only if they succeeded in locating subsidized child care for both children*.

Comparing the results in Tables 8.9 and 8.10, we find that families with incomes of $21 500 were better off using licensed child care arrangements rather than unlicensed arrangements at average market prices, in every jurisdiction except Newfoundland and Nova Scotia. In five jurisdictions, these families would have saved between $2000 and $5000 by using licensed child care rather than unlicensed care offered at 1984 average market prices. This saving could be realized, however, only by those families that located subsidized child care spaces for both of their children.

Middle- and upper-income families, on the other hand, had very similar net expenditures in most parts of the country, whether they used licensed or unlicensed care arrangements. However, in Saskatchewan and Ontario, unlicensed child care was substantially cheaper for these families than was licensed care. In New Brunswick, on the other hand, unlicensed child care was about $1300 more expensive than was licensed child care for middle- and upper-income families.

The benefits available to families, which have been described in this section, are the *maximum* benefits that individual families received in 1984 if they met all of the qualifying conditions. To qualify for a subsidy, families must not only have incomes below the provincial or territorial threshold and apply for this assistance, but must also reach the head of the queue for a subsidized space. Fewer than one in five eligible low-income families benefited from subsidized child care in 1983. To receive the assistance provided by five provincial governments in the form of operating grants, families must enroll their children in designated licensed facilities. Nation-wide, there were sufficient licensed spaces to serve just nine per cent of the children in 1984 whose parents worked or studied 20 or more hours each week. To benefit from the limited assistance provided by the Child Care Expense Deduction, families must have the required receipts. For a variety of reasons, fewer than half of eligible families claim the deduction. Only in Quebec do all families with child care expenses receive some assistance, in the form of a tax credit that is shared by families without child care expenses. Thus, nation-wide, the majority of families that incur child care expenses receive no financial assistance whatsoever, from any level of government.

## CONCLUSIONS

In this chapter we have reviewed the different sources of government spending on child care and their impact on the child care system and families. We have seen that the federal, provincial and territorial governments share the cost of a deduction under the Income Tax Act, which provides a small measure of assistance to those taxpayers who claim it each year. As a deduction, its value varies from one province and territory to another, and from one family to another. It is worth most to families with high incomes and least to those with low incomes. Most families that incur child care expenses don't claim the deduction, either because they find the procedure too cumbersome to bother with, or because they can't obtain the required receipts from unlicensed caregivers who prefer not to report their incomes. Indeed, the first reason for not claiming the deduction appears to be well justified, for the $2000 deduction in 1983 was worth an average of $235 per child to the 451 593 taxpayers who made claims on behalf of an estimated 700 000 children that year.[51] The Quebec government, which administers its own income tax system, places considerable reliance on tax relief as its main source of child care spending, providing a tax deduction as well as an optional tax credit.

The federal government provides child care allowances for trainees on courses sponsored by Employment and Immigration Canada, and very limited funding to a small number of child care centres on Indian reserves.

Each province and territory has a program to provide subsidized care for low-income families, the cost of which is shared by the federal government under C.A.P. The federal government contributes much less than 50 per cent of total spending on behalf of low-income families, largely because it will not cost-share subsidies for care provided in centres operated for a profit in those provinces that use an income test to qualify families under their programs. On the other hand, the federal government is willing to cost-share subsidies for a much wider range of Canadian families than the provincial and territorial governments currently allow to participate in their programs. So few subsidized spaces are available that less than one in five of the children who meet the strict provincial and territorial tests are able to find a subsidized space. Also, in several provinces, even the poorest families that participate in the programs are expected to make substantial contributions towards the cost of care for their children.

Three provinces — Alberta, Manitoba and Quebec — provide substantial operating subsidies to licensed child care facilities, and two others (New Brunswick and Saskatchewan) provide operating grants on a smaller scale. These grants, when substantial, seem to have had the effect of lowering average user fees for licensed care.

Most provincial governments provide grants to child care centres for start-up, expansion or renovation, but spending on these grants by all jurisdictions, at $7.6 million, comprised just one per cent of total child care spending in 1984. Only Saskatchewan and Manitoba provide start-up grants to licensed homes as well as to centres. The federal government will cost-share *depreciation* over the useful life of the property, but only for subsidized spaces. The result is that provinces recoup only a tiny portion of their initial outlay for start-up grants, many years after the fact.

Most provinces provide special grants to cover the *additional costs* associated with caring for handicapped children. However, like programs for subsidized child care, these grants are subject to ceilings in most provinces, and very few spaces have actually been funded. Total spending on these programs, at $23.4 million in 1984, amounted to just $50 for each handicapped child in the country in that year.

A survey of market prices revealed that parents could expect to pay $3000 to $4000 for full-day care of a child under 6 years of age, whether in a licensed or unlicensed setting. Fees for the care of a 6-to-12-year-old throughout the year were in the order of $2200 to $2500.

The level of benefits that individual families received from the assortment of programs described in this chapter varies according to the family's level of income, type of child care used, and province or territory in which they reside. Two-earner families with a lower middle-income of $21 500 in 1984 were found to be very badly off — in several provinces they benefited from neither the Child Care Expense Deduction, nor from child care subsidies, nor from any other form of assistance with their child care costs.

Total spending on child care by the federal, provincial, territorial and, in some cases, municipal governments, at $542.3 million in 1984, contributed less than 8 per cent of the total cost of providing care for the Canadian children who required it that year. This level of expenditure is clearly inadequate to promote any growth or development of a system of child care services in Canada.

As we shall see in Chapter 10, this state of affairs resembles the condition of Canada's education system in the 19th Century and our health care system of the 1930s. In the final chapter of Part I, we will identify some of the costs that we must anticipate will accrue if we fail to act on the pressing need of Canadian families for better child care and parental leave programs in our country.

## 9

# The Costs of an Inadequate Child Care System

## INTRODUCTION

WE HAVE SEEN in this Part that Canadian families have been transformed over the past two decades. Whereas two-thirds of families in 1961 consisted of a breadwinner-husband and wife at home, by 1981 only one in six followed this pattern. By 1981, half of all families were led by a two-earner married couple, and one in 10 families by a single parent. With the ascendancy of the two-earner family as the norm, the need for parental leave and child care services has become more acute, at the same time that informal arrangements have become less available.

Although a system of maternity leave and benefits does exist in Canada, only about half of employed women who bear children in 1986 will collect the benefits offered under the Unemployment Insurance Act. For some, the level of income replacement is too low; for others, the requirements of provincial employment standards legislation are so strict that they risk jeopardizing their jobs if they take the leave. Little is known about the duration and type of leave taken by pregnant women who do not claim Unemployment Insurance benefits. Those who take less than the four months provided under the legislation may well do so at the expense of their own health and that of their newborn infants.

In 1984, adopting parents for the first time became eligible to collect Unemployment Insurance maternity benefits. However, in most jurisdictions, they have no right to take leave from work for this purpose. Few natural fathers are entitled to take leave, and they cannot collect Unemployment Insurance benefits. Very few workers are entitled to take extended child care leave. On-going family responsibility leave, provided in most European countries to assist parents to combine work and family responsibilities, is virtually unheard of in Canada.

We also found that, while the provincial and territorial governments have, by and large, done a good job of establishing standards for licensed care and ensuring that these are observed in licensed programs, such licensed arrangements as do exist are poorly distributed and inaccessible to most families due to cost or other constraints. Fewer than nine per cent of children whose parents worked or studied a substantial part of each week could be served by licensed spaces available in 1984.

In many Canadian communities, licensed child care for infants or school-aged children is not available at all. Most child care centres close their doors promptly at 5:30 or 6:00 p.m., thus making this type of care inaccessible to parents who work on shift in factories, restaurants or hospitals, as well as to those employed regular hours in retail businesses. Most provinces and Yukon do license family home care, but the number of available spaces is so limited that few parents are aware of the service. None of the provinces or territories licenses care provided in the child's home, a form of care preferred by many parents, particularly those with an infant or several young children.

Most parents turn to the unlicensed market to find child care services, relying on word-of-mouth referrals or their own methods to screen advertised services. In this market, the principle of *caveat emptor* (*let the buyer beware*) is very much in effect, as these services are not regulated in any way, and parents have recourse only in cases of most severe harm to their children. Most unlicensed care is offered outside the market economy in a *grey* market in which caregivers both accept remuneration under the table without reporting it, and do not provide tax receipts to consumer-parents.

Locating adequate care arrangements is becoming increasingly difficult for parents, most of whom must repeat the process many times until their children are old enough to care for themselves. Indeed, many parents, frustrated by the lack of available alternatives, leave children alone at a very young age. All of these problems — affordability, accessibility, quality — are exacerbated for families to whom any special circumstance applies: low income, shift work, a handicapped child, multiple birth, or residence in a rural area, to name just a few.

Public financial assistance is very limited and unevenly distributed. Each province and territory does provide a limited number of child care spaces for low-income families, on a cost-shared basis with the federal government, but fewer than one in five eligible families benefits from this program. The federal government provides a tax deduction (part of the cost of which is borne by the provincial and territorial governments), but only a minority of working parents claim the deduction. In most provinces and territories, these two measures are the only forms of financial assistance available. As a result, the majority of Canadian families receive no assistance whatsoever with either the cost or selection of child care services.

Remedying these deficiencies will be costly — requiring the expenditure of hundreds of millions of dollars. When considering the cost of implementing change, it is important to keep in mind that there are costs associated with inaction. In this chapter we will identify some of these costs to both our social fabric and our economy, which will accrue in the short and long run if we fail to seize this opportunity to respond to a genuine need of Canadian families today. We will explore the consequences to children, to their parents, to employers and to society as a whole, brought about by a failure to respond to the current child care crisis. In Part III of this report, we will identify the benefits to be gained by taking action to remedy the situation, and will outline a strategy for implementing sound child care and parental leave policies in Canada.

## COSTS TO CHILDREN

> *How many, so called 'accidental' deaths can be attributed to poor or non-existent day care? How many children suffer*

*psychological damage from isolation, poor feeding and general neglect unbeknownst to their overworked and deeply caring parents?*

*Rosalen V. Moran*
*Sherwood Park, Alberta*

Research tells us that children need a loving, stimulating and stable environment in which they can interact with others, receive encouragement from peers and nurturers, and in which their abilities and limitations are recognized. The early periods of a child's development are critical and can have a significant effect on later development.

A nurturing environment can be provided in the parental home by a parent who is a full-time homemaker, or in a child care centre or family child care setting. While studies show that children are not adversely affected by a mother's decision either to work outside the home or to stay at home, as long as she is comfortable with her decision, when circumstances prevent the mother from making a free decision, the children suffer.

In years past, it was believed that children were deprived if they were not cared for exclusively by their mothers, and mothers who were not at home full-time were regarded as having serious problems with their priorities. They were not only taking jobs away from men, but were also jeopardizing their children's emotional development and threatening the whole concept of the family. Studies on the effects of child care have not substantiated these fears. In fact, research has found many positive effects, particularly for children from disadvantaged homes.[1] Positive effects, however, accrue from good child care, which responds to the developmental needs of children.

The methods by which child care services are financed in Canada place good-quality licensed services beyond the means of most parents. Families with very high or very low incomes make up a disproportionately large share of users of licensed child care. In all jurisdictions, only a small proportion of those with the very lowest incomes receive child care subsidies. The majority of eligible families are single-parent families headed by women. More than half of all licensed child care spaces in Canada are subsidized, and subsidies are concentrated in the non-profit centres, where the majority of children attending a centre may be subsidized. The result is that children are segregated on the basis of family composition and socio-economic status.[2]

The crisis in access to good child care is deepening for most families. Those families that qualify for a subsidy may be unable to find a place for their children. These families, along with the vast majority of middle-income families who do not qualify for subsidized care and cannot afford child care in licensed centres, must opt for informal, private arrangements. As these arrangements become more and more scarce due to rising labour force participation by women in all age groups, the quality of available informal arrangements will continue to decline.

## Children with Special Needs

Children with special needs — those who are hearing- or sight-impaired, learning-disabled, developmentally delayed or physically disabled — have exceptional needs for quality child care. The burden placed upon parents of such children, of locating suitable child care arrangements and rehabilitation programs, while at the same time maintaining adequate incomes to pay for them, creates situations of enormous stress within these families.

> *Recent difficulties in obtaining Daycare for my two children aged 4 years and 8 months has prompted this letter.*
>
> *Our son, who is 8 months old, has Cerebral Palsy and I have tried without success for the past few months to obtain Daycare within our area.*
>
> *. . .Our son is in Bloorview Children's Hospital as an interim arrangement until adequate Daycare is available.*
>
> *D. Look*
> *Weston, Ontario*

The needs of those children who are physically and mentally handicapped or disabled were outlined in Chapter 4. In Chapter 3 we saw that the services available to meet these needs are grossly inadequate. The Senate Sub-Committee on Early Childhood Experiences as Causes of Criminal Behaviour identified the costs of inaction in the case of children with learning disabilities:

> *Children with learning disabilities are at considerable risk: they are at risk for academic failure, at risk for anti-social behaviour, and at risk for psychopathology in adolescence.*[3]

The Committee stressed the importance of early recognition and treatment for these children. A system of quality child care and parent support services would provide the vehicle for early identification of problems and therapy so essential to school preparation for these children.

## Farm Children

Farm children pay dearly for the absence of good child care. Women for Survival in Agriculture[4] estimate that between 1975 and 1983, 80 farm children were accidentally killed in Ontario, alone. Most of these children were under the age of three. The need for child care is a critical issue for rural families. It is difficult to find farm help; farmers often take children to the fields, sometimes at great risk. The cost that farm families pay, in terms of lost lives and permanent disability, due to the lack of an adequate child care system, is unconscionable.

## Children at Risk

Social workers report that many family crisis situations, family breakdowns, and incidents of abuse could be avoided if support programs for parents and children were available to relieve tension and stress. Evidence submitted to the Senate Subcommittee on Early Childhood Experiences as Causes of Criminal Behaviour indicated that child abuse does not exist in isolation, but is "part of a general cluster of characteristics which include family instability, minor criminal offences, high mobility and general economic and social stress."[5] It was found that the cycle of family violence perpetuates itself; many abusing parents were themselves abused as children. Most abusing parents can, however, be helped to develop parenting skills and to exhibit more appropriate forms of behaviour towards their children. Early intervention and treatment is essential to this process. A system of good child care could provide the framework for early intervention and primary prevention services for high-risk families.

Unfortunately, the reality for many Canadian families at risk today is quite different from this stated ideal. In a brief to the Task Force, the Family Service Association of Metropolitan Toronto described the case history of a mother of two children who left her husband after repeated severe beatings. She was able to find a full-time job that required shift work, and thus, she needed a flexible child care arrangement. She was unable to find this type of care and was forced to rely on her unemployed husband to provide the care. This situation is by no means unique. Child care centre operators reported to the Task Force that subsidized spaces are in such short supply that when one becomes available, they are routinely expected to choose between equally heart-rending cases of need: for example, one child whose single-parent mother will lose her job if she doesn't soon find reliable child care, and another who authorities suspect is being abused at home. The child who is the loser in this selection is unfortunate indeed.

## Effects on Children

The effects of poor-quality child care are, for the most part, experienced "down the road," as children grow and develop into adults. When children receive poor care — merely custodial care, providing inadequate nurturing and developmental stimulation during the preschool years — they arrive at school unprepared for the learning process, eventually requiring costly remedial programs. Children who are inadequately cared for grow up to be unfeeling adults, and lack characteristics of concentration and persistence so essential to their ability to function in society, succeed at school, hold a job, and rear families of their own. These results have serious implications for the public purse, in terms of expenditures on health care, education, and criminal justice, as well as for future employers of these children. For the children themselves, whose horizons are limited by poor care, the cost is more directly wasted potential.

That good preschool programs have both short- and long-term beneficial effects on the lives of children reared in poverty has been well documented in a series of longitudinal studies conducted in the United States.[6] Comparing progress, at age 19, of young people who had attended a quality preschool program, to a group that had not attended the program, the researchers in one study concluded:

> *In the area of scholastic success, members of the preschool group stayed in school longer, scored better on tests of functional competence, were less often classified as mentally retarded, and spent fewer years in special education classes. In the area of social responsibility, members of the preschool group were arrested less often than members of the non-preschool group, and the females had fewer pregnancies as teenagers. In the area of socioeconomic success, nearly twice*

> *as many members of the preschool group were employed, and only half as many were receiving welfare.*[7]

Gains for middle-class children, while less dramatic, have also been demonstrated.[8] Unfortunately, many Canadian children are disadvantaged today when entering the education system because of inadequate preparation in their preschool years.

## COSTS FOR PARENTS

Inadequate systems of child care and parental leave impose costs on parents, including involuntary interruptions in earnings, restricted employment options, and the stress-related effects of trying, in the absence of adequate public support, to fulfil both family and work responsibilities. It is mothers who, disproportionately, bear the effects of these costs.

### Financial Costs to Parents

A Statistics Canada Survey found that in 1981, 121 000 working mothers were compelled to leave or refuse a job offer because they could not find adequate child care arrangements for their children.[9] When mothers leave the labour market or accept part-time employment due to lack of adequate child care services, they and their families initially lose the income that they might have earned during the period. But there are longer-term consequences as well: interruption of work experience affects the currency of job-related skills and knowledge, opportunity for advancement, and entitlement to pension and other benefits.

> *In my profession (practicing lawyer) I cannot afford to take a 5 year leave-of-absence to be at home because I would find it extremely difficult to update my knowledge. I also do not want to be home full-time and feel that my children gain by my working at something I like rather than being cross and irritable at home with them.*
>
> *I have spent hours agonizing over child care arrangements and having to cope with sitters quitting, going on holidays, going to the dentist, etc. and find the juggling exhausting.*
>
> *Janis Veenendaal*
> *Sioux Lookout, Ontario*

> *I resolved the day care issue by terminating a management position, and I now work as a waitress. The work hours are the same as his school hours, and I can be home by the time he returns from school.*
>
> *Connie Fischer*
> *Willowdale, Ontario*

The implications for women who eventually become heads of single-parent families are particularly serious. In 1982, 42 per cent of single-parent families headed by women had incomes below the poverty level. Maintaining labour force attachment throughout her adult years, although not a guarantee of income security, is still a woman's best protection against poverty following divorce or death of her spouse.

> *I have a solid marriage, a good wage-earning husband and only two children. In my circumstances, you'd think the family pattern of mother as homemaker full-time would have seen it's ideal fulfillment in us, yet I regard it as many years of self-sacrifice and forced imprisonment for me because there were no good alternatives and my deep sense of care and commitment to my children prohibited me from compromising and taking risks with their health and happiness.*
>
> *What about the miserably high divorce statistics we have now? What if my husband (as many do) should decide to get rid of me and marry a younger woman? Where would I be economically without him? I have taken this risk for the sake of meeting the needs of my children, but I know it's unfair! Society has demanded much personal sacrifice from me so that I could raise my children, and if I end my days in poverty, I know that is what society has demanded of women and where we are expected to be — at the economic bottom.*
>
> *The only way it seems possible for me to have avoided the trap I have been placed in, is to not have had any children. Many women will look at childlessness as a necessity for their personal survival if society doesn't wake up to what it is doing to its women.*
>
> *Above all, safe, affordable, good quality day care must be made accessible to all of us with children — not just for the wealthy and for some of the poor — it must be universal. . .*
>
> *Rowena Kolbathar*
> *Toronto, Ontario*

Some women are limited to part-time employment options while their children are young because good child care is unavailable. Similar conditions in the United States caused the Commission on Civil Rights to conclude in 1981: "Lack of child care keeps women in jobs for which they are over-qualified and prevents them from seeking or taking job promotions or the training necessary for advancement."[10]

We saw in Chapter 1 that, while many parents express a preference for part-time work, fewer of them willingly choose this working option. Others who are working part-time would prefer to have a full-time job. The lack of total enthusiasm for part-time work is hardly surprising. Part-time employment in Canada is characterized by low pay, few benefits, little opportunity for advancement and job insecurity.[11]

The outlay that families must make for child care is a significant burden on family budgets in their children's early years. In the previous chapter we saw that average annual fees for licensed child care in 1984 were $4000 for infant care; $3400 for preschoolers; and $2350 for the care of school-aged children. Average market prices for unlicensed child care were slightly lower, at $3100, $3060 and $2100, respectively, for the three age groups. Most Canadian families pay for their children's care, unassisted by any of the government financing measures discussed in

Chapter 8. Because most employed parents do not have access to paid leave when their children are sick, they must also arrange and pay for supplemental child care when this happens, or lose income while they stay at home to care for the children themselves.

> *I am a single working father trying to raise a three-year-old daughter at the same time as working a 9-hour split day-shift. It's 10-12 hours from the time that work starts to arrival at home at the end of the day.*
>
> *This is, believe me, very frustrating. It is hard enough allowing a stranger to care for your child while you are at work, and, on top of that, at the end of the week you must pay for services not fully rendered, at a rate compared to those who can afford to pay higher.*
>
> *Once all the bills are paid and there is nothing left, it feels as if you are banging your head against a wall.*
>
> *Peter Thomas*
> *Sudbury, Ontario*

> *While our present arrangement works well under "healthy circumstances", it becomes devastating when one of the children gets sick. It is also a financial strain in that we are paying two sitters — the licensed day care must still be paid plus we must pay the sitter who comes into our home.*
>
> *Name Withheld*
> *Corner Brook, Newfoundland*

## Stress-Related Costs

An inadequate child care system also has socio-psychological costs for parents who wish to remain in the work force, but have difficulty locating suitable care from among inadequate alternatives, as well as for parents who wish to stay at home to raise their children, but who need occasional care to relieve them of the constant demands of parenthood. Homemaker-parents are isolated and often experience loneliness, boredom, frustration, and low self-esteem, especially if they would prefer to work outside the home. These sources of stress, when unrelieved, can have serious health implications.

An inadequate system of child care places great pressure on parents who are employed. As evidenced in letters received by the Task Force, the search for care is in itself stressful. Families with school-aged children routinely must make new arrangements at the start of each school year and summer break. Some families have different arrangements for each child. When arrangements don't work out or suddenly terminate, parents find themselves scrambling for new arrangements. In unlicensed situations, parents must take sole responsibility for assessment and monitoring of the care arrangement, without recourse to consumer protection laws and practices upon which we have come to rely for the purchase of goods and services in Canada. Stable, affordable care of good quality can provide peace of mind, enabling parents to fulfil work obligations or community service, in addition to improving the quality of their family lives.

> *Is there a fear more paralyzing for a mother, than not knowing whether your child is being properly cared for, or if he has had enough to eat?*
>
> *Elaine Dean*
> *Mississauga, Ontario*

> *There is no reliable, professional existing process to measure the responsibility or quality of child care. Consumers can consult the Better Business Bureau, or the Canadian consumer's group etc. Businessmen consult Credit Reporting Agencies, and the list goes on. But mothers have no such system to rely on. Why? The quality between one child care arrangement and another differs substantially. What that difference could mean in terms of our children is quite frightening. The issue is specially distressing for single parents who are generally further restricted by their economic situation.*
>
> *Sandra Martin*
> *Edmonton, Alberta*

> *Women work because they need the money or because they need the fulfillment of a job. What a relief to have a place to take your child, that he will receive proper care and enjoy being there. The government should know that day cares are important because they all have a waiting list.*
>
> *Carol Gaehring*
> *Fort Saskatchewan, Alberta*

## COSTS TO EMPLOYERS

### Today's Employers

When parents are obliged to place their children in inadequate child care arrangements, employers absorb a cost in terms of work interruption, absenteeism, lower productivity and high employee turnover. Parents of young children constitute a sizeable proportion of the work force: 37 per cent of men and women in the labour force in 1984 were parents with children under 16 years of age.

Some employers may overlook such costs, or assign them only to female workers, who, they may believe, can be easily replaced — especially in times of high unemployment. In the 1980s, however, working fathers as well as mothers are affected if they have been unable to arrange satisfactory child care for their children. While it is difficult to measure in economic terms, lower productivity gains in North American industry may well be attributable, in part, to our failure to develop the necessary support systems to permit working parents to meet their dual obligations as employees and as parents.

> *I have, over the past 7 years, had twenty-nine caregivers for my children.*
>
> *I have lost, I estimate, 5 to 7 days annual leave and approximately 5 days sick leave per year for the past 7 years, because caregivers quit, move, go back to work, or are let go because of one reason or another.*

> *I was always petrified when the children were really little and unable to talk or tell me what had gone on through the day — did they have enough to eat, was their diaper changed, were they confined to a room for hours at a time — it's a wonder we're not all crazy from worry about private caregivers.*
>
> *Ellen Van Velthuizen*
> *Ottawa, Ontario*

### Tomorrow's Employers

Future employers of today's children placed in poor-quality care will also experience the effects of an inadequate system. The characteristics of a stable and productive worker — attentiveness; positive, efficient work habits; good self-image; and cooperation — are developed in the early years of life, but only in an environment of good care. These same characteristics enable children as well as adult workers to benefit from education, training, and — as is so essential in this period of economic adjustment — retraining opportunities.

Provision of such an environment for all children would contribute to the future prosperity of employers and of the economy in general. Indeed, it might be argued that these programs are of such significance to the future success of the Canadian economy that implementation of good child care and parental leave systems in our country should be considered a primary economic adjustment measure.

## COSTS TO SOCIETY

> *It seems essential that government realize that children are our resource for the future. It is in society's best interest to train and adequately pay personnel to perform this much needed service. . .*
>
> *A society that is trying to offer women the right to work, truly cannot do this at the expense of our children.*
>
> *Fran Balson-Nugent*
> *Ottawa, Ontario*

One of the concerns of the 1980s is that Canadians are having fewer children. Statistics Canada reports that Canada's fertility rate is decreasing and the population will decline if the gap is not filled by immigration. Why are Canadians having fewer children? Is it too difficult to raise children today without additional support? Certainly, many parents who wrote to the Task Force believe that the inadequacies of our child care and parental leave systems affected their decision to limit the size of their families.

> *I now teach my children that they should not have kids when they marry unless they are rich.*
>
> *A. Stambollian*
> *Deux-Montagnes, Quebec*
> *(translation from French)*

> *Day care has influenced our family, in that we have restricted our size to one child. Were it not for the difficulties of finding/affording good day care, we would certainly have preferred to have 2 or 3 children.*
>
> *Linda Joss*
> *Greenwood, Ontario*

> *Shift workers suffer the most for sitters. We need good care for our children. Where do you go in such a need? We are stuck, believe me. And our children suffer too. It causes so much stress in a family. That's why we have only one child.* It's hard.
>
> *Norma Hogg*
> *Cobourg, Ontario*

> *This is a real problem which makes a woman's work even more difficult. I would like to have a second child, but will my problems double? Will I have to stop working until my children go to school?*
>
> *Sylvie Deslauriers*
> *Montreal, Quebec*
> *(translation from French)*

The low incomes experienced by employed single parents, combined with the lack of affordable child care, result in reliance by many of these families on social assistance. Because this type of dependency tends to be self-perpetuating, this situation has implications for future generations of taxpayers as well.

> *I am really bitter about the unavailability of subsidized day care because it gets to the point where I could stay home with my son and collect welfare and I would be further ahead economically. It doesn't surprise me that a large number of women do this.*
>
> *Sandra Scote*
> *Halifax, Nova Scotia*

> *It seems to me that in Canada there's a conspiracy to keep mothers at home.*
>
> *If I succeed in working and studying in Canada it is absolutely in spite of the system and not thanks to it.*
>
> *I. Oore*
> *Waterloo, Ontario*

> *The battle every day, through the coldest Calgary winter in years, to get my baby bundled up, into the heated car, drive 20 minutes across town, drop him off, then drive back to the LRT station and take a crowded train into town, then go through the whole process again at the end of the day, left me physically and mentally exhausted. I tried, but I had precious little resources left to give my boy the kind of home a child should have. Eventually I quit my job, left Calgary, and moved out to a small town.*
>
> *I have been told repeatedly to go on welfare, that as a single-parent I would qualify easily, but that isn't what I want.*

> *Good child care equals happy and productive workers, which in turn benefits everybody, the economy, the employers, the parents and the children. Anything less makes all of them suffer, but most of all, I think, the children.*
>
> *Karen Drysdale*
> *Kimberley, British Columbia*

Inadequate care has many long-term consequences and costs for society. Women who leave the labour force, who miss out on educational opportunities, or who are underemployed in part-time jobs due to the lack of adequate child care services lose the opportunity to amass sufficient pension credits to adequately provide for themselves in old age, then requiring the support of public programs for their own subsistence.

Children at risk may develop social and psychological problems, which can eventually lead to acts of violence and crime, or problems that necessitate the intervention of expensive health care and social welfare programs. Learning disabilities and other treatable problems will not be identified in the preschool stage when intervention is more cost-effective.

An American expert in the field estimates that, for every $1000 invested in quality early childhood education programs for children from low-income families, there is a return to society of $3500 to $7000 in terms of reduced costs for remedial education, criminal justice and welfare payments, as well as tax revenues on increased lifetime earnings of the participants.[12] Remedial services and facilities are infinitely more costly in both human and monetary terms, than would be an adequate system that anticipated the needs of young children.

The long-term burden on our penal, educational, welfare, medical and social services is staggering. Spending in Canada on mental health services ($2 billion), remedial education ($83 million), criminal justice, policing and corrections ($4.6 billion), and welfare ($9.2 billion) amounted to a total of $15.9 billion in 1982-3.[13] Ultimately, the cost of these measures is borne by taxpayers. If the introduction of good child care and parental leave programs in Canada resulted in savings of just ten per cent in these programs, this would recover some $1.6 billion annually for the public purse.

## CONCLUSIONS

> *Extra-mural child care is not a necessary evil. When it allows both (or either) parent to pursue meaningful career goals, when it allows family income to be diversified, or provides children from smaller family units with a larger social matrix in which to develop, it is a positive and enriching service.*
>
> *Rev. Neil Parker*
> *Petitcodiac, New Brunswick*

Canada's child care and parental leave programs fall short of meeting the needs of children, parents and society. The time is long overdue for governments to take action to remedy the situation, as all Canadians pay for the effects of inaction. Parents pay in terms of stress, earnings interruptions, and missed employment opportunities. Children pay when they fail to develop the skills needed to succeed in this complex world.

Employers pay through lost productivity, now and in the future. Society pays for the creation and maintenance of remedial services.

Providing sound systems of child care services and parental leave will require a substantial commitment of public funds. When contemplating new expenditures of this kind, it is important to keep in mind that costs result from inaction as well. Some of these we have identified in this chapter. In Part II we will examine Canada's child care and parental leave programs, first against our own performance in other social service areas, then against the policies of other countries. Our proposals for reform of Canada's child care and parental leave programs are set out in Part III.

# PART II

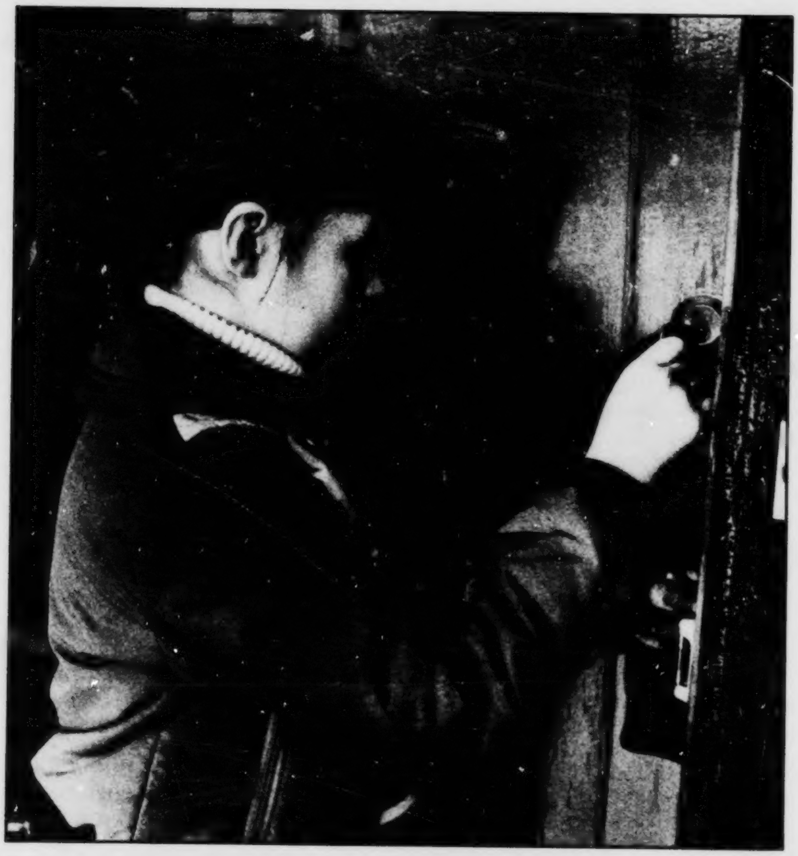
# Canada's Child Care System Compared

# Introduction

IN PART I of this report we examined, in detail, current provisions for child care and parental leave in Canada. We found that a public system of leave and benefits on the birth or adoption of a child has been established in Canada. However, it provides leave and benefits for a relatively short period (17 to 18 weeks), with minimal replacement income (about half of regular earnings; less if the claimant's regular income is high or if she takes a shorter leave period), and exclusionary rules so numerous that only about half of employed new mothers claim the available benefits. We also found very little recognition in employment laws and practices that workers have family responsibilities that periodically require their attention during regular working hours.

We found that so few licensed child care spaces exist in Canada, that fewer than nine per cent of the 1 950 000 children whose parents worked or studied a substantial part of each week in 1984 could be served by such services. Employment of mothers has risen significantly over the past decade. Now the majority of mothers with young children are in the labour force, most of them employed full-time, with the result that the availability of good informal care arrangements is diminishing rapidly. Families with any special characteristics — parents who work on shift, have low incomes, live in a rural area or have a handicapped child — have particular difficulties finding adequate care for their children. So little government revenue is devoted to child care that total spending by the federal, provincial and territorial governments combined, amounted, in 1984-5, to just $116 for each child under 13 years of age.

In Part II, Canada's performance in the provision of child care services and parental leave will be compared against two benchmarks. First, in Chapter 10, the evolution of child care and parental leave programs in Canada will be examined against this country's own record in two other key social policy areas: education and health care. In Chapters 11 and 12, Canada's parental leave and child care programs will be compared to those provided in selected countries in Western and Eastern Europe, as well as the United States.



Health and Welfare Canada, Public Affairs Directorate

## 10

# Canada's Child Care System Compared to Other Social Services

## INTRODUCTION

WHILE A RUDIMENTARY system of birth or adoption leave does exist in Canada, access to it is subject to so many conditions and limitations that the universality of the program is questionable. Such leaves as are provided by legislation simply provide protection for the immediate physical and mental health of mothers and newborn infants in the initial stages of life. The interrelationship of parental leave and child care policies is a theme that is just emerging in Canada. Extended child care leave is a privilege enjoyed by very few Canadian workers, and recognition of the on-going need of working parents for leave to fulfil family obligations has yet to develop in law or practice in Canada.

Child care services provide a stark contrast to other social services in Canada that receive public support, such as education and health care. Existing child care programs cannot really be considered a *system*, since the delivery, availability, and cost of child care vary so markedly from province to province and from city to city. Consequently, the quality of care that parents can arrange and that children receive varies markedly from one family to another. The education and health care systems serve as useful points of comparison to child care since they, too, represent services that are fundamental to the well-being and positive development of future generations of Canadians. However, while education and health care have received the social, political and financial support necessary for their development into comprehensive systems, child care has not.

Education was considered to be of such importance that, in the 1800s, the foundations were laid for a comprehensive, universally accessible, publicly-funded system. As a result, parents today are assured that no matter where they live, they can choose for their children a formal program of instruction with an approved curriculum. The fragmented, user-fee approach to health care created such hardship and inequity that it, too, was replaced by a system characterized by uniformity, comprehensiveness, accessibility, and affordability. Both of these systems were designed so that ability to pay was no longer the chief criterion for access to the preferred type of service.

Neither of these systems, of course, was created overnight. Changes in social forces, in public attitudes, values and needs had a dramatic impact on policy development. Shifting economic conditions were also instrumental forces precipitating change. Modifications in political priorities, too, were required to transform these programs from private to public, from piecemeal, fragmented services to comprehensive systems.

There are many similarities between child care services today and the education and health care systems in their infancy. An overview of the history of these programs prepared for the Task Force[1] reveals striking similarities in their evolution and highlights the major forces behind their development. Despite a history similar to both education and health care, however, child care in Canada remains a neglected service.

## PUBLIC EDUCATION: AN HISTORICAL OVERVIEW

Education in Canada has evolved from a privilege for a few to the right of all. The concept and initial development of the system, which pre-dates Confederation, was greatly influenced by the changing economic, social, and political forces of Canadian society.

In the pre-public school era, education was optional, and the family was responsible for determining the nature and extent of a child's schooling. As a result, schooling was largely related to social class. Formal, advanced education was generally limited to an elite few who had the means and ability to take advantage of it. The majority of families were left to find instruction wherever they could: in the home, the church, the workplace, or in local schools established through neighbourhood cooperation.

By the mid-nineteenth century, however, the growth of a new industrialized society gave the school a new importance in the social order.[2] Popular education was hailed as a means of ensuring the economic and moral welfare of the country. The movement towards universally accessible schools was part of a growing realization that an educated populace would stimulate economic growth and ensure social stability.[3] Schools were seen as an instrument to inculcate moral values, dissolve class barriers, promote social harmony, and combat delinquency. School promoters, most notably Egerton Ryerson, maintained that popular education was in the national interest and argued for a system of strong central authority supported by universal taxation.

Opponents of the proposed system argued that it would involve enormous expense, the loss of individual choice, and an infringement of religious and language rights. Some questioned the psychological and physical effects of confining young children to a classroom for long periods of time; others were concerned about the abilities and qualifications of teachers.[4] There were sharp criticisms regarding the right of the state to interfere with the role of the family in the upbringing of their children; parental responsibility and authority would be undermined, family cohesiveness threatened, and the child's well-being jeopardized.[5]

The Common School Act passed in Ontario in 1846 set the stage for the attainment of free, universally accessible elementary education in Canada. Over the next few decades, central boards (Ministries of Education) were established in most provinces, government grants were enlarged, and voluntary methods of local financing were replaced by property taxation. The details varied from province to province but the general structure was the same. "The logic of the argument was indisputable: if schooling was in the national interest, it was the responsibility of the state to encourage and guide it; if it was of universal benefit, it must be supported by all, open to all, and attended by all."[6]

During the second half of the nineteenth century, the grammar schools and academies (secondary schools) were absorbed into the new state systems of education. By the turn of the century, education was seen as a mechanism to develop necessary skills for entry into the labour force. Schools were also pressed to respond to the influx of immigrants, the growth of population, and the shift to an urbanized society. By this time, the basic foundation of the public education system as we know it today was already in place.

The post-secondary education system developed later. Originally, Canadian universities were, for the most part, small residential colleges controlled by various religious denominations. Developments in secular areas such as science and professional training led to the state replacing the church as the major controlling influence in higher education. "From a more practical point of view, the increased cost of instruction and research in the sciences challenged the financial resources of the small denominational colleges. In the struggle for survival, some church colleges affiliated with larger universities, while others remained independent and cut their church ties, hoping for wider public support. The provincial governments were approached to an increasing extent for financial help. By World War I most Canadian universities, certainly the most important ones, had become public or semi-public institutions."[7]

Because the Constitution Act, 1867 conferred on the provinces the jurisdictional responsibility for education, each province has developed its own program based on local needs and priorities. Despite the differences, there are commonalities to the system across the country.

In each province, for example, a Minister of Education who is an elected member of the legislature (National Assembly in Quebec) holds ultimate responsibility and accountability to the public for this program. Elementary and secondary schools can be either public or private. Publicly-controlled schools make up the largest category, accommodating approximately 90 per cent of all students. The definition of private schools varies, but generally includes parochial schools, bilingual schools and preschools. These schools generally operate within the guidelines set by the provincial departments of education.

Each province has created local school districts under local educational authorities, to which it has delegated certain powers and responsibilities for the actual operation of the schools. In practice, education at the elementary and secondary levels is managed by provincial-local partnership. What will be taught, by whom, and to whom are provincial matters, worked out under provincial regulation through local school boards.

Provincial and local governments assume substantive reponsibility for financing primary and secondary schools; the federal contribution at this level is relatively small. Principal sources of revenue include property taxes, contributions from provincial governments and miscellaneous sources. Total government expenditures for primary and secondary education in Canada were $17 billion in 1981-82, representing a per capita expenditure of $3378 for the five million full-time students enrolled in the public school system.

Although the provinces have constitutional jurisdiction over education, the federal government has had an on-going supportive role for many decades. The Government of Canada has direct responsibility for operating and supporting schools for Indians and Inuit residents of the Yukon and Northwest Territories, inmates of federal penitentiaries, and armed forces personnel and their dependents.

Since about the time of the First World War, the federal government has also provided financial assistance for vocational and technical education and for university research. This assistance was later extended to a variety of other education-related purposes (general support to the post-secondary system, student assistance, occupational training, and research). In 1982-83, total federal support of these education programs and activities amounted to approximately $6.4 billion, of which about $1.7 billion comprised cash payments to provincial and territorial governments in support of post-secondary education.[8]

Federal involvement in education continues on the grounds of national interest and the fiscal resources of the Government of Canada.

## DEVELOPMENT OF A NATIONAL SYSTEM OF HEALTH INSURANCE

Compared with public education, national health insurance in Canada is of relatively recent origin. Like education, the system evolved over a period of time, and was shaped by changing economic, political, and social forces.

Prior to Confederation, government involvement in health care was limited to controlling communicable diseases, and treating the poor, disabled, and mentally ill. When the Constitution Act, 1867 was framed, the provinces were allocated the "establishment, maintenance and management of hospitals, asylums, charities, and eleemosynary (charitable) institutions." Early hospitals were charitable institutions operated by religious bodies and primarily supported by voluntary donations. Throughout the nineteenth and well into the twentieth century, hospitals were principally places for the poor. Federal jurisdiction was limited to quarantine and the establishment and maintenance of marine hospitals.

As in the early years with education, health was the responsibility of the individual and the family. The kind and quality of care available to individuals depended on health care expertise within the family unit and whatever professional services they could afford. Low-income families resorted to charity medicine: free wards in hospitals, public clinics, and hostels for the indigent.

The first focus for public funding was hospitals and communicable disease. Initially, public health programs concentrated on eliminating disease and slowly shifted towards establishing measures for good health. Although the concept of health insurance was recognized as early as 1919, it was the impact of the Depression of the 1930s that provided the catalyst for change.

The Depression had a devastating effect both on people's health and on their ability to obtain treatment. Many of those who had the misfortune to become ill had to turn to relief in order to be admitted to hospitals, or depend on the benevolence of physicians when they could not pay for medical services. Many went without medical attention; others delayed treatment until their illness was well advanced. Physicians' practices declined, they amassed large uncollectible debts and they could not pay their bills.

Political priorities and public attitudes towards social insurance programs changed dramatically after the Depression and, by the early 1940s, a movement began towards a planned program of social security. Health insurance was high on the list of priorities. Several major committees, commissions, and conferences advanced proposals for a national system of health insurance, including a federal commitment "to remove the disparities in standards of health services in different parts of Canada, to avoid the risks of sudden heavy expenditures, and distribute health costs more widely and equitably."[9] Federal proposals, however, were rejected due to provincial opposition to the tax-sharing recommendations and perceived federal encroachment on an area of provincial jurisdiction.

Many people subscribed to private health insurance to protect themselves from the burden of everyday health care expenses and the financial catastrophe that major illness could bring. However, those who needed the insurance most — the poor, elderly, and chronically ill — were least likely to be covered. Those who did have coverage found that the plans had limitations: the costs and benefits varied from plan to plan. In 1961, less than half the population had reasonably comprehensive medical insurance protection; a major illness meant financial disaster.

In 1947, the CCF government in Saskatchewan implemented a compulsory hospital insurance program. Influenced by this precedent, recognizing the financial burden of hospitals on provincial budgets, and responding to increasing pressure from labour, social welfare groups and the public at large, the federal government gradually assumed a larger role in health care, primarily in the form of financial assistance. In 1950, a grants-in-aid program was established, providing funding for health-related projects. In 1957, the Hospital Insurance and Diagnostic Services Act was passed. By this Act, the federal government offered to share the cost of certain provincially-operated hospital and diagnostic services if, in return, the provinces agreed to observe certain conditions designed to make the system comprehensive and universally accessible.

The success of the program increased public demand for a system of medical insurance comparable to that of hospital insurance. Based largely on the recommendations of the Royal Commission on Health Services, established in 1961, the Medical Care Act was passed in 1966. This Act provided for shared financing of specified medical services. With both hospital and medical services insured, a universally accessible system of health care was available to all Canadians, based on medical need rather than on ability to pay.

The division of powers between the two levels of government means that there are, in reality, ten distinct but related health care programs in Canada. As with the education system, the differences reflect, in large part, provincial priorities and local demands, but the similarities throughout the country are evident.

Now, more than 99 per cent of Canadians have comprehensive, prepaid protection against the cost of medical services from physicians and surgeons, all hospital in-patient treatment, and a wide range of out-patient and extended care services, regardless of where they live.[10] Some provinces have financed expanded coverage to include nursing homes, home care and prescription drugs.[11] The system is financed largely from general revenues, and both the federal and provincial governments provide the funding. In the 1981-82 fiscal year, government expenditures on health care totalled $18.5 billion, of which $4.7 billion was contributed by the federal government (mainly in the form of transfers to the provinces), and $13.8 billion by provincial governments. This represents a per capita expenditure on health care of $760 for every man, woman and child in Canada.

## CHILD CARE: DELAYED DEVELOPMENT

The development of child care as an organized system has not yet occurred, even though child care has been an issue of concern in Canada for more than a century. The first child care centres were set up in the 1850s in the industrialized provinces of Ontario and Quebec, usually to provide care for the children of working parents. The early centres were generally established as charitable services limited to families demonstrating an urgent need for it, and provided essentially custodial care. The establishing agencies were dominated by women from the middle and upper classes, most operating from a sense of Christian duty towards the unfortunates in society.[12] In later decades, groups of social reformers viewed child care centres as a means of instilling positive social values in young children, particularly when increasing urbanization and the rise of delinquency were seen as a threat to traditional family life.

By the turn of the century, there were some 15 centres in Canada providing child care on a daily basis. Revenues generally came from participating families, voluntary contributions, provincial governments and, occasionally, the municipality.[13] The number of centres increased sporadically in each province. As the population moved west and industrialization increased, the number of women working outside the home increased. There was a marked reluctance on the part of policy makers, however, to acknowledge that the presence of women in the workforce was a trend that would continue to grow.

The passage of Mothers' Allowances in various provinces during and following the First World War brought a decline in the need for child care, causing some centres to close. The stated objective of the British Columbia bill, for example, was "to provide children with home life and care of a suitable character and keep them out of institutions when the breadwinner father is incapacited." The unwritten corollary was that provision of public funds for family support would keep mothers from working outside the home.[14]

The establishment in the 1920s of child development centres led to the promotion of care that provided intellectual stimulation for children. Existing centres adapted their methods to deal with children from deprived home backgrounds. In addition, parents from homes with higher economic standing became interested in the advantages of early educational experiences and, as a consequence, private nursery schools were established. The result was that only the very poor who were subsidized, or the children of parents who could afford the fees had the advantage of preschool programs, a situation that effectively continues to this day.[15]

The Second World War brought increased numbers of women into the paid labour force, and it became apparent that child care arrangements needed special attention. Through the 1942 Dominion-Provincial Agreement, the federal government made subsidies available for day care on a cost-shared basis with the provinces. Only Quebec and Ontario took advantage of the proposal, and when the war ended, the federal government withdrew its offer. Quebec closed five wartime day nurseries. In Ontario, parental resistance to closing the centres was so great that 16 of the 28 centres were kept open, an event that marked the beginning of peace-time municipally-funded centres in that province.

Throughout the 1950s, the provision of child care generally resumed its charitable status. In 1966, the federal government reactivated federal funding for day care through the Canada Assistance Plan, cost-sharing with the provinces child care services only for those "in need" or "likely to become in need."

Child care today continues to operate as a service for which society bears little responsibility. Government involvement does exist in the form of regulation of licensed services, but the vast majority of services and care providers operate outside the scrutiny of these regulatory efforts. Limited tax relief is available to parents, but purchase of services in the *grey* market, from caregivers who do not report their incomes, is the norm. In 1984 sufficient licensed child care spaces existed to serve only nine per cent of the children under 13 whose parents worked or studied a substantial part of each week. Most of the public funds that reach child care are part of the welfare system, providing support to parents in need and to special-needs children. As we saw in Chapter 8, government expenditures on child care in 1984-85 amounted to a total of $542 million, or $116 per capita, for each child under 13 years of age.[16]

## PARENTAL LEAVE: PARTIAL DEVELOPMENT

In the last century, maternity leave was considered a family responsibility. Well into this century, women were seen as physically and emotionally fragile and as primarily committed to wife- and mother-roles. As a result, women who worked outside the home presented a dilemma for legislators and reformers as well as for early women's organizations.

Working women in the post-Confederation era of industrial expansion did not fit the established model of feminine behaviour. Whether married or single, their activities in factories and as domestic workers in the homes of middle-class families seldom involved light or healthy labour, and left them little time for the care and nurturing of either children or spouses.

Reform groups stressed that working women were in need of special protection to ensure not only their own health and well-being, but also that of existing and future children. Maternity leave was intended not as a means to improve the working situation of women, but as a measure to safeguard their health during pregnancy.

Two issues emerged: first, the extent to which their work and their health would affect their potential offspring and, second, the effect of a mother's work on the socialization of existing children. The first set of concerns led to the promotion of protective legislation for women; the second to campaigns for mothers' pensions, which resulted in provision of Mothers' Allowances by provincial governments and, ultimately, the federal Family Allowance program in 1945.

The first maternity protection legislation was enacted in British Columbia in 1921. It prohibited the employment of women during the six weeks following "confinement," gave women the right to leave work upon producing a medical certificate stating that confinement was probable within six weeks, and allowed a woman nursing a child half an hour, twice daily, for this purpose. The Act did not require compensation for lost wages.

While some social commentators, including the 1943 Marsh Report on Social Security for Canada, continued to recommend that maternity leave and benefits be extended to Canadian workers, few changes occurred before the 1960s.

As an employer, under the terms of the 1918 Civil Service Act, the federal government provided full-time employment for married women only during times of crisis, and when no other qualified person was found. As a result, the number of married women on permanent staff was so small that a policy on maternity leave was not considered necessary. After the hiring policy changed in 1955, the number of women absent for reasons of maternity grew and, in 1962, the Civil Services Regulations were amended to provide unpaid maternity leave for both married and unmarried women.[17]

Several provincial governments followed suit, providing maternity leave, mainly without pay, for civil servants. Legislation extending unpaid maternity leave to women working in enterprises falling under provincial jurisdiction was enacted by provincial governments and Yukon in the 1960s and 1970s. The Northwest Territories, as we saw in Chapter 2, has yet to provide leave on the birth of a child to women employed in that jurisdiction.

By 1971, women workers under the jurisdiction of the Canada Labour Code were entitled to take up to 17 weeks' maternity leave. At the same time, benefits were extended through the Unemployment Insurance Act (1971), which provided fifteen weeks of maternity benefits after twenty or more weeks of full employment. The rationale was to provide women with protection "from an earnings interruption caused by her physical incapacity to work or look for work in the period surrounding the birth."[18]

In 1976, the Unemployment Insurance Act was amended to allow more flexibility in the timing of the leave and, subsequently, several provinces amended their legislation to conform more closely with the Unemployment Insurance benefit period. Amendments to the Canada Labour Code in 1984, for the first time in the federal jurisdiction, extended certain leave provisions to fathers and adoptive parents. In 1984, some $395.9 million in Unemployment Insurance benefits were paid to maternity leave claimants. These benefits were financed entirely from the employer-employee account.

## CONCLUSIONS

Unlike the approach taken in many European countries, Canadian family policy has never acknowledged the need to accommodate the family responsibilities of working parents. The development of comprehensive child care and parental leave systems in Canada has been hindered by the failure of policy makers to recognize the inevitability of the shift of mothers into the labour force. Indeed, it can be argued that, had not such strenuous efforts been made to keep mothers out of the labour force — efforts that included introduction of Mothers' Allowances following the First World War, the Married Tax Exemption in 1918, Family Allowances in 1945, the vigorous propaganda campaign following the Second World War and restrictive legislation — the transformation of the family, which we described in Chapter 1 of this report, might well have occurred much earlier.

Unlike health care or education, child care has not been recognized in Canada as a public service. Rather, it remains a market service, dependent on user fees. Consequently, like health care and education in earlier times, the type and quality of care children receive is affected by where parents live and what they can afford. Similarly, the likelihood that an employed parent will be able to take time from work to complete an adequate search each time a new child care arrangement is needed, or to attend a school concert or sports day, depends entirely on the goodwill of individual employers. The potential of a system of child care and parental leave to contribute to social goals — such as enhancing the quality of family life and creating an enriched, stimulating environment for child development — has been largely ignored in Canada. Child care programs remain rooted in their nineteenth century role as a custodial welfare service, and are totally inadequate to meet the needs of today's society.

This is curious in light of the fact that many of the forces that influenced the development of education and health care as universally accessible systems also apply to child care today: changing attitudes and circumstances leading to increased demand for publicly-funded programs; greater numbers of families requiring the service; a developing crisis in service delivery; strong lobby groups advocating change. Increasingly, economic uncertainty and changing perceptions of the role of women have prompted mothers to seek paid employment outside the home, resulting in more families needing regular child care services at the same time that the supply of informal care arrangements is shrinking. Yet the delivery of child care has failed to reflect or respond to the major transformations that have taken place in this country in recent decades. Instead, child care remains locked in a welfare-model, user-fee time warp, an anachronism in today's society.

A comprehensive system of child care is long overdue in Canada. Education was made compulsory at the elementary level approximately fifty years after Ryerson first made his ideas known. Health insurance became a fact for Canadians in 1968, having been discussed seriously in 1919. If time were the primary factor in delivery of a social program, comprehensive systems of child care and parental leave would have been created by the 1950s.[19]

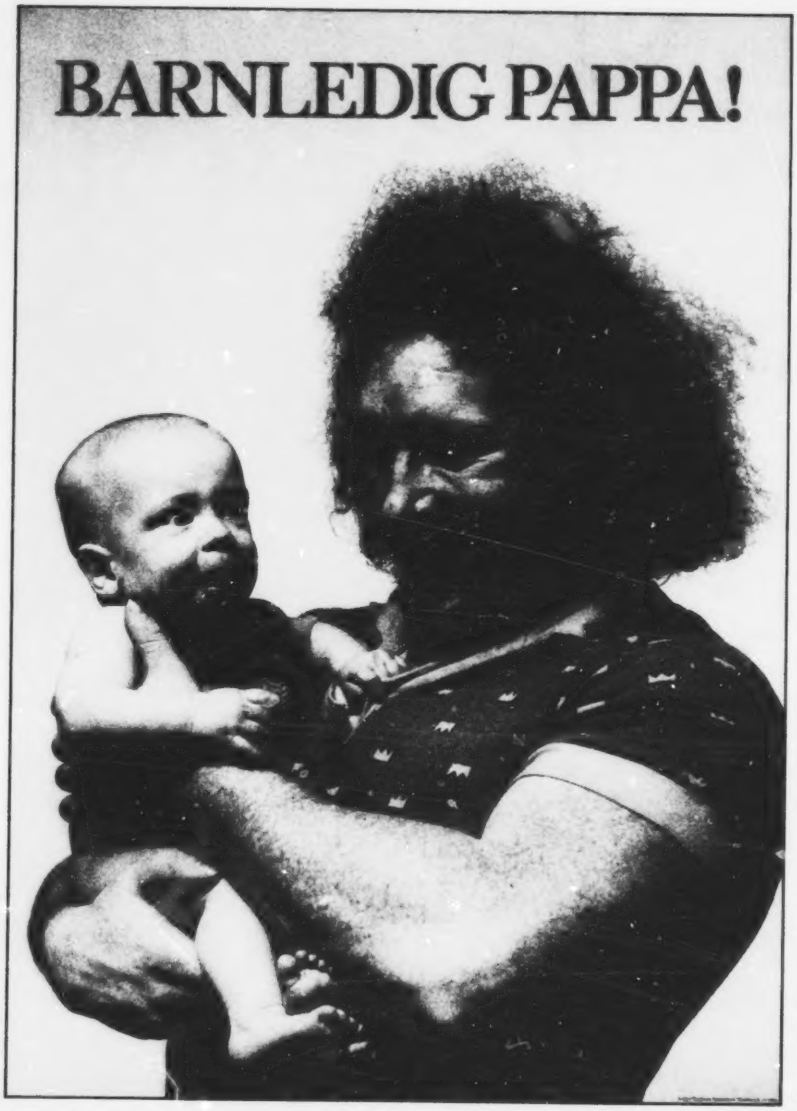
Clearly, the idea of a universally accessible, quality system of affordable child care for everyone who needs it is not new. Child care professionals and other experts have been lobbying for such a system for decades. In 1970, The Report of The Royal Commission on the Status of Women outlined problems with the current system and proposed specific recommendations for all levels of government. A decade later, many of the same problems — and recommendations — were repeated in The Report of the Canadian Commission for the International Year of the Child. In the intervening years, major reports, conferences and discussion papers have also focussed on the issue.

Most recently, in 1984, The Royal Commission on Equality in Employment noted that many of the arguments made today against the introduction of universally accessible, quality child care are identical to those made in the nineteenth century prior to introduction of a universally accessible public school system. "The threat to the primacy of the parents, the danger of the emotional stability of children in being removed from the home to spend hours in a classroom, the peril to the sanctity and cohesiveness of the family, and the enormous expense were all proferred as arguments against free public school education." The Report goes on to conclude that child care is a logical extension of a philosophy that espouses parents as primary caregivers and the state as an indispensable auxiliary. "If education is the state's legitimate concern, and if standards of care for children are equally the state's concern, then the partnership of parent and state should start when a child is born and continue as long as the dependent child, as beneficiary, needs it, regardless of age, or whether he or she goes to school, or of whether there is a parent at home full-time."[20]

We believe that child care is the social policy issue of the decade. The next five years represent a turning point during which concrete action to begin to transform child care and parental leave policies into a true system must take place. We can no longer take an ostrich-like approach, burying our heads in the sand while ignoring the developing crisis around us.

The opportunity is at hand for the government of the day to make an indelible contribution to the social fabric of this country. The November 1984 Speech from the Throne acknowledged the need for change by establishing a Parliamentary Task Force to study the future of child care in Canada. We call upon the Government of Canada to use this Parliamentary body as the first of several measured steps to implement, over the next few years, a system of child care as comprehensive and universally accessible as medicare and education.

In Part III of this report, we will outline the initial steps required to reach this end. In the remainder of this Part, we will examine Canada's child care and parental leave programs in light of those provided in other countries.


BARNLEDIG PAPPA!

*Parental Leave!*

Courtesy of the Swedish National Social Insurance Board

# 11

# Canada's Parental Leave System: An International Comparison

## INTRODUCTION

THE PARTICIPATION OF women with small children in the labour force is increasing throughout the developed world. This change in the composition of the labour force has created a need for parental leave. In this chapter, parental leave policies adopted by twelve countries to respond to this change will be examined to provide a context for assessment of Canadian parental leave policies. The material used was drawn from a study of parental leave policies in Europe, the United States and Israel conducted for the Task Force,[1] and from a survey conducted for the Task Force by the Department of External Affairs.[2]

Because of differences in the policy motivation for, and the duration and financing of parental leave, comparisons among countries are somewhat difficult to make. The approach taken in this chapter is to present the findings under the three general types of leave: birth/adoption leave, extended child care leave, and leave for family responsibilities. The distinction between birth or adoption leave and extended child care leave is particularly difficult, given variations in program design from country to country. We have, in this analysis, classified as *birth or adoption leave*, *only* the initial period surrounding the birth or following adoption of a child, which is covered by the highest rate of benefits offered in each country. Many countries offer an initial period with high replacement income, followed by a longer period with reduced benefits. The latter we classified as *extended child care leave*, regardless of its duration. Statutory provisions in effect for these three types of leave will be compared for 12 countries, representing a cross-section of the diversity of policies in effect.

Paid leave is granted at or around the time of childbirth, usually only to mothers, to allow them to prepare for or to recover from the birth of a child. Such leave includes the right to return to her own position or an equivalent one at the end of the leave. Some countries require that a specified number of paid weeks of leave be taken before the expected birth, and the balance afterwards. In the case of adoption, equivalent leave may be given to enable a parent to integrate the new child into the family.

Two types of birth or adoption leave are available to fathers. Most commonly, a few days of paid leave are given immediately after the birth or adoption of the child to allow the father to be with the mother and to assist her to care for the new infant. In some countries, fathers are permitted to share part of the birth/adoption leave with the mother.

Extended child care leave is provided in many countries for parents to care for very young children who are not old enough to go to nursery school or kindergarten. In some countries, statutory benefits are provided during this leave; in others, the leave is unpaid.

Leave for workers with family responsibilities includes leave for working parents to deal with emergency situations, such as the illness of a child or of the child's usual caregiver. In some countries, such leave may include paid time off for parents to fulfil responsibilities connected with their children's education, such as attending school functions and meeting with teachers.

## THE PHILOSOPHICAL BASIS FOR MATERNITY BENEFITS AND PAID PARENTAL LEAVE

The particular combination of paid leaves and benefits provided to working parents in any country reflects very closely national views of appropriate roles for women in that society, and the role they are expected to play in the economy. In fact, in all countries, whether they are planned economies or market economies, maternity benefits and paid parental leaves constitute a powerful policy instrument that may be used to influence women's labour force participation.

Some countries provide strong financial incentives for mothers to stay at home to care for their infants and toddlers. Such policies may be founded on a variety of philosophical premises or policy objectives. There may be a strong societal belief that women belong at home with their children when they are young. There may be an unwillingness or inability to provide widely accessible, community-sponsored child care. Economic conditions may be such that policy makers wish to discourage women from being in the labour force. There may be concern about the impact of child care on very young children.

Some countries provide longer maternity leaves, cash payments or additional vacation leave to women who have more than one child, in an effort to encourage women to have more children. For example, maternity leave provisions in many of the eastern European countries, where fertility rates are extremely low, have been designed with this objective in mind.

In a growing number of countries, there is a recognition that equality for women in the workplace cannot be achieved unless family responsibilities are shared between women and men. This is the basis for the parental leave programs in the Nordic countries, where paid leave is structured in such a way that mothers and fathers may share in the care of their children, and domestic concerns are not considered to be the sole preserve of women workers. Conversely, in most Eastern Bloc countries, parental leave is available only to women, revealing that shared responsibility for parenting has not been accepted as a social goal in these societies.

Whatever the philosphical basis for a particular program or combination of programs, it is clear that its design features may have an impact on such variables as birth rates, labour force participation of women, the need for child care, and sharing of family responsibilities between men and women.

## BIRTH/ADOPTION LEAVE

All of the European countries surveyed provide paid leave to mothers on the birth of a child. Some of these countries allow fathers to share the leave. Most countries also provide a period of leave equivalent to the post-natal period to adopting mothers. In most cases, the duration of the leave is longer than that provided in Canada, the income replacement is higher, and a greater portion of the population is eligible for benefits. The only respect in which Canada can be seen to be leading is in the degree of flexibility of timing of the leave.

The United States lags behind all other countries surveyed with regard to maternity leave. No national guarantee of leave or benefits is provided to mothers or fathers on the birth or adoption of a child. However, under the Pregnancy Discrimination Act of 1978, employers are required to treat women who are recovering from childbirth or suffering from pregnancy-related illness in the same way that they treat other ill or disabled employees. Employers who provide a disability plan for employees must cover pregnancy-related disabilities to the same extent that they do other temporary disabilities. The level of benefits depends on the employer's plan. As a result, 95 per cent of the 384 largest American corporations now offer disability benefits for pregnancy (usually six to eight weeks of leave with some income replacement), but many small businesses offer nothing.[3] Five states have enacted legislation guaranteeing maternity leave and benefits, but the authority of the states to legislate in this area is now being challenged in the courts.

In the United States, therefore, a few weeks of leave are provided to women whose employers give leave for temporary disability. Some income replacement is available to women living in California, Rhode Island, Hawaii, New Jersey, New York and Puerto Rico, and to women whose employers offer disability plans. An estimated 60 per cent of working women in the United States are not protected by disability insurance during pregnancy.[4]

### Duration

In Canada, the length of maternity leave varies from 12 weeks in New Brunswick to 18 weeks in the federal jurisdiction. Most jurisdictions specify that the leave can begin 11 or 12 weeks before the expected delivery date and cannot end sooner than 6 weeks after the birth of the baby. Seventeen weeks are insured under the Unemployment Insurance Act, during which period 15 weeks of benefits are paid. Most of the countries studied provide periods of paid maternity leave that are longer than Canada's.

Of the 11 countries surveyed that provide maternity leave, 5 provide paid leave for 26 weeks or longer. Finland provides the longest period of paid leave: 47 weeks with 80 per cent replacement of salary. Denmark provides 28 weeks at 90 per cent of salary. East Germany, Czechoslovakia and Sweden each provide 26 weeks of leave with income replacement at 90 to 100 per cent of salary.

The remaining countries provide leave for 6 to 20 weeks, with 80 per cent to 100 per cent replacement income. Hungary and Italy provide 20 weeks; Austria and France, 16 weeks; West Germany, 14 weeks; and the United Kingdom, 6 weeks at full salary. Although these periods are shorter than in the other European countries surveyed, all women in these countries are eligible to extend the leave, and in all countries except France, the extended leave is also insured at a reduced level of benefits.

## TABLE 11.1

## Duration of Maternity Leave

| Country | Leave Insured at Maximum Benefits | Weeks of Pre-Natal Leave | Weeks of Post-Natal Leave |
|---|---|---|---|
| Finland | 47 | 8 | 39 |
| Denmark | 28 | 4 | 24 |
| Czechoslovakia[a] | 26 | * | * |
| East Germany | 26 | * | * |
| Sweden | 26 | 0-10 | 16-26 |
| Hungary | 20 | * | * |
| Italy | 20 | 8 | 12 |
| France[b] | 16 | 6 | 10 |
| Austria | 16 | 8 | 8 |
| **Canada[c]** | **17** | **0-12** | **5-17** |
| West Germany | 14 | 6 | 8 |
| United Kingdom[d] | 6 | 0-6 | 0-6 |
| United States | none | none | none |

**Source:** Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E. Survey of country profiles conducted for the Task Force on Child Care by External Affairs Canada.

**Notes:** * Information on pre- and post-natal leave provisions in Czechoslovakia, East Germany and Hungary was not available.

[a] Single parent mothers receive 35 weeks of post-natal leave.

[b] The length of leave is extended in the case of multiple births or for a third or subsequent child. The maximum amount available is 8 weeks' pre-natal and 22 weeks' post-natal leave.

[c] Canadian jurisdictions vary with respect to the amount of leave they allow. Some specify how it must be divided between the pre-natal and post-natal periods, while others leave it to mothers to decide.

This table refers to the portion of leave insured under the Unemployment Insurance Act. Fifteen weeks of benefits are provided during the 17-week period.

[d] Only women with two years' service with an employer are eligible for the top up, to 90% of salary. British workers are entitled to take up to 29 weeks in total, 11 of which must be taken before the birth. A flat-rate benefit is payable for 18 weeks: eleven weeks before and 7 weeks after the birth.

One area in which Canada provides some leadership is flexibility of scheduling leave. In 9 of the 12 Canadian jurisdictions offering leave, women are able to determine how much of the total leave they wish to take in the pre-natal period, and to apply the balance to the post-natal period.[5] Sweden has a similar provision, allowing women 26 weeks of maternity leave, of which up to 10 weeks may be taken before the birth of the child. In Austria, Denmark, Finland, France, Italy, the United Kingdom and West Germany, a specific period of leave is reserved for the pre-natal period and is forfeited if not taken prior to the birth. No information was available on pre-natal leave conditions in Czechoslovakia, East Germany and Hungary.

## Benefit Level

As well as providing leave, European countries provide generous income replacement during the leave so that workers can afford to take it. Income replacement in all European countries studied exceeds the level provided in Canada. In Canada, women who are eligible under the terms of the Unemployment Insurance Act may receive 15 weeks of benefits equivalent to 60% of the insured part of their income. To collect 15 weeks of benefits, they must take 17 weeks of leave, including 2 weeks without benefits. Thus, the effective replacement income in Canada is only 53 per cent of insured earnings.[6] In 1985, the maximum insurable weekly earnings under the Unemployment Insurance program were $460, which provided a maximum weekly benefit of $276.

In nine of the 11 European countries surveyed, benefits equal to full salary (90% to 100% of replacement income) are provided during the initial maternity benefit period. In all European countries surveyed, benefits are provided equal to 80 per cent or more of insured income.

In most countries, following this initial period, an extended leave is provided with reduced benefits. In West Germany, for example, workers receive 100 per cent of salary for 14 weeks and a flat-rate benefit for the remaining 18 weeks of statutory leave. In the United Kingdom, all women workers receive a flat-rate benefit for 18 weeks. Women with two years of service with the same employer receive an employer top-up to 90 per cent of their regular salaries for 6 weeks. This subject will be explored further under the heading "Extended Child Care Leave."

In the United States, there is no national statutory entitlement to benefits or leave. However, since 1978, all employers of more than 15 people have been required to include coverage for maternity leave in any disability plan they offer to their employees. Five states and Puerto Rico also have state disability plans, which offer benefits to women taking maternity leave.

## Qualifying Periods

Qualifying periods for benefits vary from country to country. Canada requires that women must have worked 20 weeks in the previous 52 weeks to qualify for maternity benefits under the Unemployment Insurance program, but one year with the same employer in most provinces, to quality for leave. In Denmark and Finland, there are no length of service requirements for workers wishing to claim benefits.

West Germany requires that a worker have worked for 12 weeks between the tenth and fourth month before delivery. Austria requires that a woman have worked for 52 weeks in the last two years. This requirement is reduced to 20 weeks if the mother is under 21 years of age. France requires that a woman have worked for 1200 hours (or 150 eight-hour working days) in the previous year. In the United Kingdom, all

## TABLE 11.2

## Income Replacement During Maternity Leave

| Country | Percentage of Salary Received | Total Weeks of Leave Insured at Maximum Benefits | Total Weeks of Maternity Leave |
|---|---|---|---|
| Austria | 100%* | 16‡ | 16 |
| East Germany | 100% | 26 | 26 |
| Hungary | 100% | 20† | 20 |
| West Germany[a] | 100% | 14 | 32 |
| Czechoslovakia | 90% | 26‡ | 26 |
| Denmark | 90%* | 28‡ | 28 |
| France | 90%* | 16‡ | 16 |
| Sweden | 90%* | 26‡ | 26 |
| United Kingdom[b] | 90% | 6 | 29 |
| Finland | 80%* | 47‡ | 47 |
| Italy | 80%* | 20‡ | 20 |
| **Canada[c]** | **60%*** | **17** | **17-18** |
| United States[d] | none | none | none |

**Source:** Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E. Survey of country profiles conducted for the Task Force on Child Care by External Affairs Canada.

**Notes:** †Leave is also available to fathers.

‡Leave is available to adopting parents on the same terms as to natural parents.

*Indicates there is a maximum amount of earnings insured.

[a] In West Germany women are paid a flat-rate benefit while on a maternity leave of 32 weeks. For the first 14 weeks the employer supplements the flat-rate benefit to make it equivalent to 100% of earnings.

[b] The United Kingdom also pays a flat-rate benefit for 18 weeks to all workers with one year of social insurance contributions. Women with two years of experience with the same employer receive 90% of salary for six weeks, for which the employer is reimbursed.

[c] Fifteen weeks of benefits are provided during the 17-week leave period. As indicated in Chapter 2, due to a two-week waiting period without benefits at the outset of the leave, the effective replacement rate over the 17-week period is only 53 per cent.

[d] The Pregnancy Discrimination Act of 1978 requires that all employers of over 15 people include maternity leave in any disability plan offered to employees. This provides protection to about 40% of U.S. working women. Five states and Puerto Rico also have disability plans that cover women on maternity leave.

women, including the self-employed, receive the flat-rate benefit for 18 weeks if they have one year of insurance contributions. Two years of service with the same employer entitles women to 6 weeks at 90% of salary.

## Financing

Birth/adoption leave is financed through the social insurance programs of all countries studied. Method of funding for these plans varies. Canada, Finland, Italy, Hungary and East Germany all finance their plans through employer and employee contributions. In Austria and West Germany, contributions are also made by the government. In West Germany, these are of a supplementary nature while, in Austria, government contributions account for 50% of revenue. The Danish plan is entirely government-financed. In Sweden and Czechoslovakia, only the government and employers contribute to the plan.

The social insurance plans in most countries assume the full cost of parental leave in those countries. In Sweden, for example, all family leave is financed through social insurance funds.[7] In the United Kingdom, employers are reimbursed for payments made to women who are eligible for the six week leave at 90% of salary. Similarly, in France, employers are reimbursed for the full cost of the 3 days of paid leave given to fathers on the birth of a child. In West Germany, however, women are paid a flat-rate social security benefit for 32 weeks. During the first 14 weeks, employers are required to supplement the flat-rate benefit to 100% of regular earnings and are not reimbursed for this payment.

## Coverage of the Self-Employed

In Sweden, the United Kingdom and East Germany, the self-employed receive parental insurance benefits. In Sweden, the self-employed contribute to the social insurance plan on the same basis as do employers. In the United Kingdom, the self-employed, as contributors to the social insurance fund, are eligible to receive the flat-rate benefit for 18 weeks. In East Germany, the self-employed receive all social insurance benefits but contribute both the employee and the employer share. In Canada, self-employed workers neither contribute to nor collect maternity benefits.

## Leave for Fathers on Birth of a Child

Most of the countries surveyed reserve the period of maternity leave for the mother alone. However, the Nordic countries, as a result of their policy initiative to restructure work and family life, are an exception. Fathers are given the opportunity to take paternity leave with job security, and the same income replacement provisions as are applicable to mothers. In Sweden, only the pre-natal leave and the first 29 days of post-natal leave are reserved for the mother. When leave was first extended to fathers in 1972, only 2 per cent of Swedish fathers took advantage of it, but by 1978, partly as a result of a vigorous advertising campaign promoting leave for fathers, 12 to 14 per cent were claiming the leave. Denmark allows fathers to take the last 10 weeks of the maternity leave if the mother wishes to return to work. Finland allows fathers to take 75 to 100 days of paid leave after the first 100 days of the mother's leave. In 1982, 21 per cent of eligible Finnish fathers took advantage of this provision.

A few countries provide for a few days' paid leave for fathers, to be taken at the time of the birth to allow them to assist the mother with a newborn infant. Sweden, Denmark, Norway and Finland provide two weeks of paid leave for fathers. In Finland, this leave is deducted from the total period of 234 days of maternity or paternity leave. France also provides for three days of paid leave for fathers. In Canada, only fathers employed in enterprises under federal jurisdiction, or in Saskatchewan, Manitoba or Quebec are entitled to take leave on the birth of a child (24 weeks under the Canada Labour Code; 6 weeks in Saskatchewan and Manitoba; 2 days in Quebec).

### Adoption Leave

Most countries have done more than has Canada to recognize the need of adopting parents for leave with job protection and some form of income replacement. In Canada, since 1984, adopting parents have been able to collect Unemployment Insurance benefits, but employment standards legislation entitles very few workers to take leave when they adopt a child.

In five of the European countries studied (Sweden, Austria, Finland, Denmark, Czechoslovakia), adopting mothers are entitled to the same maternity leave and income replacement as are natural mothers, for a period equivalent to the post-natal period. In Italy, adopting mothers receive 12 weeks of paid leave (equivalent to the post-natal period provided to natural mothers) if the child adopted is under six years of age. If the child is under three years of age, adopting mothers in Italy can take an additional 26 weeks of extended child care leave, on the same terms as natural mothers. In France, adopting mothers, like natural mothers, qualify for between 10 and 20 weeks of paid leave, depending on the number of children being adopted and the number of children already in the family.

In Sweden, Finland and Denmark, fathers are able to share adoption leave with the mother, just as they can share birth leave. In Italy, France and Czechoslovakia, the adoption leave is reserved for the mother, although fathers can take extended child care leave to care for adopted children.

In West Germany, the United Kingdom and the United States, there is no legislated entitlement for either leave or benefits for adopting parents. No information was available on the policies of East Germany and Hungary.

## EXTENDED CHILD CARE LEAVE

Provisions exist in many countries for the maternity leave to be extended to provide either parent with the opportunity to opt out of the labour force temporarily to care for a small child at home. Table 11.3 indicates which countries provide a period of child care leave following the initial period of birth/adoption leave described in the previous section, as well as the length of this leave and the income replacement available.

The only statutory provision for extended child care leave in Canada is found in the Canada Labour Code, which provides 24 weeks of leave,

## TABLE 11.3

## Extended Child Care Leave

| Country | Initial Insured Leave Period | Extended Leave: Duration | Extended Leave: Benefits |
|---|---|---|---|
| Sweden | 26 | 26 weeks to be used before child is 8 years old as ½ or ¼ days or as full-days before child is 18 months old | first 13 weeks at 90% of salary; last 13 weeks at flat-rate benefit |
| Austria | 16 | 46 weeks | monthly flat-rate benefit with a higher rate paid to single mothers |
| Hungary | 20 | leave until the child is three | monthly cash benefit equivalent to ⅓ average wage |
| Italy | 20 | 26 weeks | 30% of salary provided by Social Security funds |
| Czechoslovakia | 26 | 1) 26 weeks for mothers of one child; 2) 78 weeks for mothers of two children | flat-rate benefit equal to 22% of average wage |
| East Germany | 26 | 1) 26 weeks for mothers of two children; 2) 52 weeks for mothers of 3 or more children | flat-rate benefit equivalent to the statutory sick benefit |
| West Germany[a] | 14 | 18 weeks | flat-rate benefit |
| United Kingdom[b] | 6 | 12 to 18 weeks | flat-rate benefit for 1 to 7 weeks; 11 weeks without benefits |
| France | 16 | 2 years available to parents employed for one year or more with firms of over 100 employees | none |
| Finland | 47 | 6 months | none |
| Denmark | 28 | none | none |
| **Canada** | **17** | **none*** | **none** |
| United States | 0 | none | none |

**Source:** Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E. Survey of country profiles conducted for the Task Force on Child Care by External Affairs Canada.

**Notes:** *Workers in the federal jurisdiction can take 24 weeks of unpaid leave after the maternity leave is over. This leave is available to either parent and to adopting parents.

[a] In West Germany, the state provides a flat-rate benefit for 32 weeks. During the first 14 weeks employers are required to top-up this benefit to 90% of regular salary.

[b] In the United Kingdom, the state provides a flat-rate benefit for 18 weeks (11 before the birth and 7 after) and reimburses employers for a mandatory 6-week top-up to workers with 2 years' seniority. All workers are entitled to take up to 11 weeks before the birth and 18 weeks after.

which can be taken by either parent after the 17-week maternity leave is completed. Otherwise, child care leave is not generally available in Canada, although some unions have obtained such leave through collective bargaining.

Motivations for providing child care leave vary. In Eastern Europe, child care leave is generally designed as a pro-natalist policy instrument. Czechoslovakia and East Germany provide for longer maternity leaves after the birth of second and third children on the assumption that the availability of longer paid leaves will induce women to have more children. Hungary's child care grant provides a strong incentive for mothers to stay at home to care for their children until they reach the age of three. The policy was initiated, at least in part, in response to concerns about the impact of Hungary's group day care on very young children and the inability of the state to meet the cost of high-quality group care for children under three. The policy is thus a clear attempt to substitute home care by the child's mother for community-provided group child care. However, despite this grant, 33 per cent of Hungarian mothers with children under three were in the labour force in 1976. Professional women, in particular, do not take advantage of extended child care leave because of the low level of the fixed rate benefit and the effect of a three-year absence on their careers.[8]

Sweden has also adopted a special provision for working parents to allow them to spend more time with their young children on an on-going basis, but the policy motivation, and hence, the design of the program are quite different from those found in Eastern European countries. Under the Swedish parental insurance program, the equivalent of six months' leave of absence is provided to either parent to stay at home to care for a child. The leave may be taken in the form of shorter working hours (a six-hour working day or half-days off) at any time up to and including the child's first year at school at the age of eight. If the leave is taken in full-days, it must be taken before the child is 18 months old.

There are two motivations for allowing fathers to share child care leave. The Nordic countries wish to promote the sharing of domestic labour between spouses. The other motivation is to make paid leave available to fathers in the case of some emergency, such as illness or death of the mother. This latter approach seems to be the policy motivation of the Eastern European countries, which have extended the right to paid child care leave to fathers. Italy also allows fathers to take the child care leave if the mother is sick or incapacitated, or if the father has sole custody of the child.

Benefits are financed through the regular social security system in the eight countries providing benefits during the extended leave period. Usually the income replacement provided takes the form of a flat-rate benefit, most often the country's statutory sick benefit.

The exception to this is Sweden, which provides 13 weeks of extended child care leave at 90 per cent of salary and an additional 13 weeks with a flat-rate benefit. Thus, parents in Sweden are entitled to take up to one year of leave on the birth of a child, three-quarters of which is covered by 90 per cent replacement income. The first 26 weeks must be taken in full-days, but most can be taken by either parent. The remaining 26 weeks (half at 90% of income; half at a flat-rate benefit) may be taken in full-, half- or part-days over an extended period of years.

France and Finland provide a period of extended child care leave without pay (2 years in France; 6 months in Finland). The Danish government has not provided for extensions to the initial 28-week maternity period. The United States, with no statutory maternity leave program, also does not provide a right to extended child care leave.

## LEAVE FOR WORKERS WITH FAMILY RESPONSIBILITIES

Various policies have been adopted by other countries to help workers meet their family responsibilities. In most countries, paid leave is available to assist workers to care for sick children. Reduced working hours and extra holidays are also available in some countries.

### Leave to Care for Sick Children

Most of the countries surveyed provide a statutory entitlement to leave to allow parents to care for sick children. In all of the Western European countries providing leave (Sweden, Norway, West Germany, Italy and Austria), it is available to both parents. In Hungary, Czechoslovakia and East Germany, on the other hand, only the mother may take the leave. The amount of leave granted annually varies from 5 days per family in Austria, to 60 days per family for each child under 12 years of age in Sweden.

Canada, the United States and the United Kingdom do not provide a statutory guarantee of leave for workers with sick children. Workers in these countries must make their own arrangements with their employers through collective bargaining or informal agreement, or must find substitute care for their children when they are sick.

The statutory provisions currently available for leave to care for sick children are summarized in Table 11.4.

### Other Types of Family Responsibility Leave

Some countries provide additional benefits to working mothers, such as reduced working hours or extra holidays. In West Germany, mothers who are breast-feeding work two hours less each day but are paid their regular salary. Italy gives nursing mothers a choice between shortening their work day by two hours or having two one-hour rest periods during the day. If the child is cared for in a workplace nursery, only one rest period is granted, which must be spent with the child. In France, a one-hour daily nursing break is given to mothers during the first year of the child's life.

Additional holiday leave is given to mothers in France and East Germany. In France, mothers with young children receive two extra days of annual leave. In East Germany, mothers with two or more children under 16 are entitled to extra days of annual leave, the number depending on how many children a woman has and whether or not she is a shift worker. A shift worker with three children under the age of 16, for example, receives five extra days of annual leave.

Shorter working hours are provided in East Germany to mothers of two or more children. Reduced working hours, flexible work weeks and the right to refuse shiftwork are provisions available to working parents in

Czechoslovakia. Norway allows workers with family responsibilities to refuse overtime work and to work reduced hours. Sweden's flexible 26-week family leave can be taken in half- or quarter-days up until the child's eighth birthday, thus reducing the length of the working day for parents who claim this option.

## CONCLUSIONS

In this chapter, Canada's parental leave provisions were compared with those of 12 other countries: eight Western European democracies, three Eastern Bloc countries, and the United States.

### TABLE 11.4

### Statutory Leave for Care of Sick Children

| Country | Annual Allotment of Leave | Available to Fathers | Income Provisions |
|---|---|---|---|
| Sweden | 60 days per family for each child under 12 | yes | 90% of salary |
| Norway | 20 days per family | leave is divided equally between parents | 100% of salary |
| West Germany | 5 days per worker | yes | 100% of salary |
| Czechoslovakia[a] | 5 days | no | 100% of salary |
| Austria | 5 days per family | yes | 100% of salary |
| Italy[b] | unknown | yes | 100% of salary |
| East Germany | 8 weeks for mothers of 3<br>10 weeks for mothers of 4<br>13 weeks for mothers of 5 | no | 2 days at full pay followed by pay at statutory sick rate |
| Hungary | 3 months for child under 3<br>1 month for child 3 to 6 | no | pay at statutory sick rate |
| Finland | number of days unknown | yes, in public sector | unknown |
| **Canada** | **none** | **no** | **none** |
| United Kingdom | none | no | none |
| United States | none | no | none |

**Source:** Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E. Survey of country profiles conducted for the Task Force on Child Care by External Affairs Canada.

**Notes:** No information was available on the policies of Denmark or France. Norway replaces Denmark in this table due to availability of data.

[a] It is unclear whether the five days provided in Czechoslovakia are an annual maximum days per year or a maximum number of days at full pay per childhood illness.

[b] This leave is available only for children under three years of age. No information is available on the number of days available per year.

We found that in all countries studied, with the exception of the United States, which has no national maternity leave system, the leave provided was longer (usually 26 to 47 weeks), or replacement income higher (80 to 100% of regular salary in all countries) than that provided in Canada, or both. Canada does show some leadership by allowing flexible timing of leave. However, flexibility takes on greater importance in Canada, given the very short period of leave provided.

Most countries studied (and all that have maternity leaves of relatively short duration) permit new parents to take an extended period of leave, as of right, either with a reduced level of benefits, or unpaid. Parents in France, for example, are entitled to take up to two years' unpaid leave following the 16-week paid maternity leave. In Canada, only workers employed under federal jurisdiction (some 650 000 Canadian workers), and a small number covered by clauses in collective agreements, are entitled to extend the maternity leave period beyond 17 weeks.

Most countries surveyed (Sweden, Austria, West Germany, Norway, Italy, East Germany, Czechoslovakia and Hungary) provide an annual allotment of leave to care for sick children. Several provide additional benefits to working parents, including additional annual vacation leave credits and reduced working hours for nursing mothers. Canada has been slow to recognize the types of accommodation necessary to permit working parents to successfully combine their work and family responsibilities. In Chapter 9, we identified some of the costs — both social and economic — of this short-sightedness. In Part III of this report, we will outline a program of action for Canada to bring our parental leave policies in line with international standards.

Courtesy of Inter Nationes

A West German Kindergarten.

# 12

# International Perspectives on Child Care

## INTRODUCTION

IN CHAPTER 11, we compared the parental leave and benefits systems available in other countries with the Canadian system. This chapter will describe how countries meet their child care needs. The following factors will be discussed: coverage, financing, program delivery, staff and staff training, auspices under which the programs operate, and special programs or facilities to accommodate the needs of particular groups.

## RESEARCH STRATEGY

In an effort to gain a perspective on child care in Canada in the context of programs and policies of other countries, the Task Force designed a survey questionnaire to collect information from other countries. With the assistance of External Affairs Canada, the questionnaire was administered through Canadian missions in 22 countries. Included in this discussion are survey results from the 11 countries for which the most complete information was available. These are: Austria, Czechoslovakia, Denmark, East Germany (GDR), Finland, France, Italy, Sweden, the United Kingdom (UK), the United States, and West Germany (FRG).

Information from the survey was supplemented by additional documentation (including legislation) and the body of literature currently available on child care policies and programs in different countries.

The discussion that follows is more descriptive than comparative because the available information does not allow precise comparisons. For example, the information on government funding in one country may refer to the contribution made by one level of government towards a particular program, while in another it may refer to total spending by all levels of government on a number of different programs. Procedures also vary: for example, standards for the operation of child care centres may be strictly enforced in one country, while in another serve as guidelines only. Finally, information is incomplete in some instances. Information on different types of standards (e.g., group size, staff:child ratios, caregivers' qualifications) is available for some countries, but not for others. Despite these limitations, the information presented in this chapter does reflect child care trends and practices in other countries. In the concluding section of this chapter, Canada's performance will be assessed with regard to such key variables as types of care, coverage, sponsorship, standards and financing.

## FAMILY POLICY OPTIONS: THE INTERNATIONAL SCENE

All of the countries examined have, over the past two decades, experienced significant growth in the labour force participation of women. As Table 12.1 indicates, the majority of women in the countries reviewed participate in the labour force during their prime child-bearing years. As a result, family policy dealing with the relationship between work and family life has become increasingly significant. Governments of most countries studied recognize that an important aspect of family policy is the provision of affordable care of good quality for children of parents who are in the labour force.

### TABLE 12.1

### Female Labour Force Participation Rates, By Selected Age Groups

| Country | Age Group<br>20-24 (%) | <br>25-29 (%) | <br>30-34 (%) |
|---|---|---|---|
| **Austria** (1982) | 66.3 | 60.4 | 58.7<br>(30-39) |
| **Canada** (1981) | **77.1** | **67.9** | **63.3** |
| **Czechoslovakia** (1980) | 83.4 | 90.7 | 92.0 |
| **Finland** (1982) | 71.4 | 82.8 | 84.2 |
| **France** (1982) | 67.6 | 69.7 | 65.2 |
| **West Germany** (1982) | 71.3 | 64.3 | 58.8 |
| **East Germany** (1977-78)[a] | | 87.0<br>(25-54) | |
| **Italy** (1982) | 58.4 | 56.4 | 52.4 |
| **Sweden** (1982) | 81.7 | 84.3 | 85.0 |
| **Denmark** (1981) | 85.6 | 88.6 | 84.8<br>(30-44) |
| **United States** (1982) | 70.0 | 69.0 | 67.1 |

**Source:** International Labour Office, *1983 Year Book of Labour Statistics*, 43rd Edition, (Geneva: 1983), Table 1.

**Notes:** [a] Sheila B. Kamerman and Alfred J. Kahn, *Child Care, Family Benefits, and Working Parentls*, (New York: Columbia University Press, 1981), p. 90

A leading researcher[1] in the field of family and child care policies found that countries have similar problems and concerns which they must address:

- the need to provide families with financial assistance to help with the cost of child bearing;
- the need to provide care for children while parents are at work;
- the need to make possible a more equitable sharing, between women and men, of home and family responsibilities; and
- the need to facilitate a better balance between work and home so that adults may fulfil their roles as parents without either gender suffering penalties in the labour market.

In view of these problem areas, Kamerman identified five distinct policy stances which, to a greater or lesser extent, have been adopted by European countries and the United States.[2]

In the first approach, a country may decide that it is desirable for all adults to participate in the labour force, and the government therefore subsidizes child care services so that children can be well cared for at a reasonable cost to parents. Of the countries reviewed, East Germany (GDR), which had a female participation rate of 89 per cent in 1983,[3] comes closest to reflecting this policy stance. Of the countries surveyed, East Germany has the most extensive day care centre coverage, especially for children under three.

Under the second approach, the government subsidizes a parent to stay at home on paid leave to care for young children. Such a policy reduces the need for child care services for children under the age at which the extended paid leave provisions expire. This policy approach is reflected in Czechoslovakia where, although the participation of women in the labour force is generally high, virtually all women with children aged 0 to 2 remain at home.[4]

A third policy stance, and one that France officially adopts, is to support parental choice in deciding whether one or both parents will work. In theory, this policy requires a government to ensure that parents who need quality child care are assured of it, while at the same time providing sufficient income support to enable a parent to exercise the option to remain at home to care for a child.

The fourth policy stance (which, of the countries studied, Denmark and Sweden most nearly approximate) is to enable both parents (or a lone parent) to manage work and family life simultaneously. This approach is based on the premise that economic independence and, hence, labour force participation is necessary for women to achieve equality, and that generous paid parental leave and benefits as well as extensive child care services are essential to meet this objective.

The fifth policy approach is to leave individuals to work out their own solutions. While the governments of all the countries reviewed had some involvement in providing child care services, the countries that intervene least in the delivery of child care services are the United States, the United Kingdom and the Federal Republic of Germany. In these countries, as in Canada, publicly-provided child care tends to occur in a social welfare context.

# CHARACTERISTICS OF CHILD CARE IN SELECTED COUNTRIES

## Austria

Austria has as a family policy goal the creation of a *partnership family*, in which women and men fulfil their family obligations together and have the same opportunities to organize their occupational lives.[6] Results of the Task Force survey, however, indicate a lack of licensed child care facilities for infants in Austria: less than one per cent of children under the age of three were placed in day nurseries in 1984. Nearly 30 per cent of three-to-four-year-olds, 60 per cent of four-to-five-year-olds and 78 per cent of five-to-six-year-olds were attending child care centres in Austria in 1984. Given that the labour force participation rate of women with children under three is 41.8 per cent, there appears to be an acute need for child care spaces to serve this age group. In addition, 22 739 primary school children aged 6 to 10 attend child care centres after school and at lunch times.

There are four categories of child care arrangements in Austria: day nurseries for infants; municipal and licensed non-profit child care centres for preschool and school-aged children; licenced child care mothers (*tagesmuetter*); and unregulated care provided by relatives, neighbours, babysitters and au-pairs. There are also kindergartens providing preschool training for five- and six-year-olds, but as of 1977 (most recent information available), most were only half-day programs. In many provinces, there were not enough spaces to meet the need.[7]

Apart from the fact that only one per cent of children under the age of three are placed in day nurseries, no other information was available on the operation of these facilities. Licensed child care mothers are permitted to care for up to four children in their homes, and this has been suggested as one potential solution to the problem of shortage of day nursery places for infants. However, the survey found there were only 140 home care licences registered with the local authorities in the entire city of Vienna. It seems, therefore, that the regulated sector is meeting only a fraction of the overall demand for infant care.

Child care centres are operated by municipalities and licensed private non-profit organizations such as clubs, the Catholic church, and political parties. Nationally, the ratio of public centres to private centres is 3:1. Normally, working parents can leave their children in child care centres for up to 55 hours per week, including lunch hours. Some centres provide breakfast and lunch.

Priority on waiting lists at publicly-run centres is accorded to children of single-parent and low-income families. In 1984, 40 companies in Austria provided workplace child care for their employees. Apart from a tax deduction, there are no special government incentives to encourage employers to provide this service. No information was available on programs for handicapped children or children of shift workers.

Occupational training for child care workers in Austria consists of a four-year course following the first eight years of formal education. In 1985 this course was extended to a fifth year. School teachers, who may also work in child care centres, complete 13 years of primary and secondary schooling, followed by a three-year course of studies at teachers' college.

As in Canada, staff turnover in Austrian child care centres is high and is considered to be a problem.

Standards for centres are set by the responsible municipal or provincial government. All centres are inspected once a year by government inspectors. The homes of *tagesmuetter* are inspected by social workers from provincial and municipal youth welfare authorities.

Austria is a federal state, and although jurisdiction for social legislation rests with the federal government, child care policy has been the shared responsibility of provincial and municipal governments (since the enactment of legislation in 1962).

Public centres are funded by provincial and municipal governments, which in turn receive partial funding from the federal government. Operating expenditures for centres run by the Municipality of Vienna totalled one billion Austrian schillings in 1983 (approximately $67 million Cdn);[8] 12.8 per cent of this budget was offset by user fees, which are geared-to-income. Families earning over $1000 (Cdn) a month, pay approximately $28 (Cdn) per week per child for a full day (6:30 a.m. to 5:30 p.m.) with meals, or $16 (Cdn) per week per child for half-day attendance. Families with lower monthly incomes are charged less, on a sliding scale. Parents with higher incomes tend to use private centres rather than public ones.

## Czechoslovakia

Children under the age of three in Czechoslovakia are accommodated in *crèches*, while children aged three to six attend full-day public kindergarten. *Crèches* fall under the jurisdiction of the health ministry, while kindergartens are the responsibility of the education ministry. While most kindergartens in Czechoslovakia are managed by the school authorities, in some cases factories, enterprises and co-operative farms participate in the building and operation of kindergartens.[9]

Only about 20 per cent of all children under the age of three in Czechoslovakia are accommodated in *crèches*, apparently because most women choose to receive the maternal allowance, which is payable to mothers with at least two children, one of whom is under the age of two.

Approximately 91 per cent of all children aged three to six years attend kindergarten. While fulfilling the function of providing care for the children of working parents, kindergartens in Czechoslovakia have a clear pedagogical purpose of "stimulating the growth of children's cognitive abilities and developing their speech and thinking." The typical kindergarten is a day school operating on weekdays between 7:00 a.m. and 5:00 p.m. The children are divided into classes according to age. Class size is generally 25 for three-year-olds and 30 for four- or five-year-old children.[10]

There are kindergartens with boarding facilities for children whose parents work irregular shifts.[11] Approximately 90 per cent of *crèches* in Czechoslovakia are situated in residential neighbourhoods; the remainder are in or near factories.[12] Special services in the form of institutional care, infants' homes or children's homes are available for handicapped children or for children whose parents are considered unfit.

Caregivers in nurseries and kindergartens are usually required to have a high school leaving certificate as well as a specialization in teaching. Although caregivers earn the average wage, turnover is quite high, as they are typically younger women who subsequently have children and take advantage of paid maternity leave and benefits.

In highly populated areas, there are insufficient spaces for preschoolers, and priority is given to children of young, single parents and those with special social problems. Two-earner families, which often have to wait months for a space, use private babysitters in the interim. No information was available on the extent of private child minding in Czechoslovakia.

All fees in the formal child care system are subsidized by the government and paid directly to the institution. The survey indicates that costs to parents are substantial only in the case of preschool children whose mothers have voluntarily decided not to re-enter the labour force once their maternity leave period has terminated.

## Denmark

The Danish child care policy is based on the principle that the care of young children is not purely a private concern. The Danes feel there should be a close relationship between family, society, work, and culture, and that all these factors affect the development of young children.

Denmark has five basic modes of child care: (1) day nurseries (*vuggestuer*) for children under three; (2) nursery schools/kindergartens (*bornehaver*) for three-to-seven-year-olds; (3) preschool classes (*bornehaveklasser*) for five-to-seven-year-olds; (4) family child care (*dagplejehjem*); and (5) before- and after-school care for school-aged children in recreation centres.[13]

The 1981 Report from the Danish Child Welfare Commission indicated that 40 per cent of children under six were covered by the public child care system in 1979. While centre care is the predominant form of care for the three-to-five-year-olds, 60 per cent of children under two are looked after by family child care providers. With 10 000 children on waiting lists in 1979,[14] there is a shortage of child care centre spaces, including spaces for school-aged children.

Day nurseries offer all-day care and are usually located in residential neighbourhoods. The trend is to blend groups of children of various ages so that each group can remain under the continuing care of the same adult. A typical group size is 12, with four staff per group, including at least two who qualify as specialists in the care of young children.

Nursery schools/kindergartens offer full- or part-time care, usually for groups of children of various ages. Preschool classes introduce many young children, who have remained at home throughout their early years, to group care for the first time. Whereas 53 per cent of all three-to-seven-year-olds attend some type of child care, 90 per cent of children attend *bornehaveklasser*, which are part of the school system and are located in regular schools.

Since 1964, a formalized family child care program has been in operation, in which providers are carefully screened, licensed and closely supervised by local township officials. The maximum group size for a family child home is seven, or three children under the age of three.[15]

In 1976, (the most recent year for which data was available), two-thirds of day nurseries and after-school programs, and three-quarters of kindergartens/nursery schools were privately-operated. In most cases, privately-operated facilities are owned by non-profit organizations. Although child care falls under the jurisdiction of the Ministry of Social Affairs' Department of Child and Youth Affairs, townships have the responsibility to ensure that specific regulations and standards for child care programs are enforced.[16]

Handicapped children are integrated, to the fullest extent possible, within the regular system. While nearly all child care centres have waiting lists, the townships have established priorities for child care placement so that any child of a family in special need (e.g., single parent, illness in the family, handicapped child) is assured of a place in child care. Children under three who are considered by health and child care officials to be of high risk from a developmental point of view are referred to family child care homes rather than to group child care centres.[17]

There appear to be no special child care programs for shift workers. Denmark has experimented with industrial child care centres, but its experience has been that placement in an industrial or commercial zone usually means long trips for the young child. In addition, it has been maintained that, in general, parents do not come to see their children during working hours, and that waiting lists at factory-situated child care centres create friction between employers and employees. Instead, Denmark follows a policy of smaller centres in local neighbourhoods.[18]

Child care in Denmark is subsidized publicly at four levels:

(1) New building programs are financed through low-interest loans from private sources or from the state. Under certain circumstances, the state will provide a grant of 35 per cent of the building costs if the township matches this figure, leaving 30 per cent to be raised by other means.

(2) Property maintenance (rent, interest, taxes, insurance and janitorial service) is completely publicly-funded, with the state providing four-sevenths, and the township providing three-sevenths.

(3) On-going operations receive partial funding, depending upon the type of facility. Day nurseries and nursery schools/kindergartens are subsidized as follows: 40 per cent by the state and 30 per cent by the township. For after-school groups and youth clubs, 45 per cent is subsidized by the state and 35 per cent by the township.

(4) Public health programs for children, including preventive and family guidance services, is 100 per cent state-supported.[19]

State subsidies cover about 80 per cent of child care costs, and parent user fees (or employer contributions in the few industrially-based centres) make up the balance of on-going operating costs. User fees are geared to parental income; in 1984 the maximum fee was approximately $150 (Cdn) per month for children in day nurseries and $100 (Cdn) for those in nursery schools/kindergartens. Government subsidy arrangements for child care centres and family child care operate in the same manner, with applications for full or partial subsidies being made to the local township. According to the Danish Child Welfare Commission Report, in 1979 almost 17 per cent of all children (including children in recreational programs) were fully or partially subsidized.[20]

## Federal Republic of Germany (West Germany)

Recent data on the number of children in West Germany receiving out-of-home care by non-relatives was not available. In 1977, only 6.8 per cent of children under three experienced non-relative out-of-home care. This may be a reflection of the low labour force participation rate of mothers with children under three (estimated by Kamerman to be 32% in 1976), and a prevailing attitude that women with young children should stay at home to care for them. However, our survey indicates that in 1981, kindergarten coverage for the three-to-six-year-old age group was in excess of 75 per cent.

No single ministry is responsible for child care policy in West Germany. Under the constitution, legal responsibility rests with the federal government, but actual responsibility is transferred to the provinces or states (*Laender*). Seven of the 11 *Laender* have specific laws regulating the day care or preschool system.

Traditionally, *crèches*, or *krippen*, in West Germany have been associated with public aid. The most frequent users of *krippen* are low-income, foreign and single-parent families. More than 60 per cent of *krippen* are located in the large urban centres — Bonn, Munich and Hamburg.[21] In 1977, 73 per cent of *krippen* were sponsored by public agencies, 22 per cent by private social agencies, and 5 per cent by employers, including a large number of hospitals.[22] Groups tend to range in size from 6 to 10 infants; 7 to 12 children aged one to two; and 8 to 15 children aged two to three. Adult:child ratios are, on average, 1:6.[23] Because of the falling birthrate in West Germany, space for some children under three years of age has become available in kindergartens, which are usually for three-to-six-year-olds.

In 1984, the government inaugurated a *tagesmutter* or day mother project, similar to agency-sponsored family child care in other countries. Like the *krippen* and other family child care services, this project was designed to serve poor and deprived families, and is not directed to the average working family.

The stated goal of kindergartens is to promote the physical, spiritual, social and emotional development of young children aged three to six years. Kindergartens are not intended to provide a service to families in which both parents are employed outside the home. On the contrary, since most kindergartens operate for half-days only, use by working couples requiring full-day care for their children is effectively discouraged.

Although the *Laender* are responsible for kindergartens, these are usually operated by a variety of church, welfare and voluntary social organizations, as well as by local authorities. In 1977, 28 per cent of kindergartens were publicly-sponsored, and 68 per cent were sponsored by voluntary groups.[24]

The Ministry of Employment and Social Affairs offers a special program for school-aged children who cannot go home after school. This program, called *Kinderhort*, provides lunch, guidance for homework, and supervised play. Parents pay fees for this service, and very few places are available.

According to the survey, child care services in West Germany are financed by government subsidies, sponsoring organizations (church and social organizations), and the parents. In general, each group provides roughly one-third of the financing, although ratios of financial support vary from area to area.

In recent years there have been moves to reduce the cost to parents, with the result that in some *Laender*, parents pay about 20 per cent of the costs. Parents unable to pay the fees can receive financial assistance from the social welfare system. Fees paid by parents are tax-deductible. Results from the Task Force survey indicate that in 1982, the cost of preschool education was 3.8 per cent of the total education budget.

## Finland

While precise data are not available on the extent of coverage in Finland, it has been estimated that available spaces cover less then 50 per cent of requirements.

Apart from unlicensed family child care, there are three types of child care programs in Finland: centres and family child care homes operated by the local government, and private child care centres. Nearly 70 per cent of all children placed in formal child care programs in Finland in 1984 attended child care centres operated by the *communes*, which represent the local unit of government in Finland. Only 3.5 per cent of children attending formal child care were in private child care centres. About 60 per cent of places in child care centres are full-time. The balance of children attending formal child care (about 27%) were cared for by family home caregivers employed by the *communes*. About 90 per cent of these family child care places are full-time.[25]

Parents who wish their children to attend an after-school child care centre submit an application to their *commune*. In 1982, approximately 8030 school-aged children attended after-school child care programs.

Communal child care centres have long waiting lists, and priority is given to children of single-parent families. In 1982, there were 2178 children of shift workers in evening and night care. Given that in 1980 it was estimated that approximately 10 000 such places were required, there is still a considerable shortfall of supply. A very few of Finland's larger companies provide workplace child care.

Fees for child care programs run or subsidized by the *communes* are graded according to the parents' ability to pay. The Ministry for Social Affairs and Health is responsible for child care policy in Finland. The state pays approximately 48 per cent of child care expenses, the municipality 40 per cent, and user fees about 12 per cent. Child welfare expenditures (most of which go towards child care) accounted for 37 per cent of the social services budget in 1977.[26]

## France

France has a long history of out-of-home child care dating back to the eighteenth century when all social classes used wet nurses, the predecessors and namesakes of today's family day care mothers (*nourrices*). Group day care had its beginning in the early nineteenth century when care houses (*salles d'asiles*) were linked to poor-houses and workshops. In France today, out-of-home care is accepted, familiar, and not necessarily linked to the labour force participation of mothers.[27]

In 1975, an estimated 31 per cent of all children under age three experienced out-of-home care by a non-relative. Two-thirds of this group received care in facilities that were publicly-sponsored, licensed and supervised. Apart from informal, unlicensed arrangements, children under the age of three may be placed in one of three types of arrangements:[28]

(1) *Crèches collectives* are day care centres that vary in size from 10 (*minicrèche*) to 120. These centres operate for 12 hours daily (7:00 a.m. to 7:00 p.m.) five days a week, and have a recommended staff:child ratio of 1:5 for children who cannot walk, and 1:8 for children who can.

(2) *Crèches familiales* are publicly-subsidized family day care homes operated by an agency. They are staffed by licensed child minders (*assistantes maternelles agréées*) who are supervised and paid by a social agency. These child minders may care for up to three children (not including their own) in their own homes.

(3) *Licensed child minders* (*assistantes maternelles agréées*) also make independent direct arrangements with families to care for their children. While these minders are licensed, they deal directly with the families and not through an intermediary agency.

Licensed family day care is substantially subsidized in France. *Crèches collectives* and *crèches familiales* are either free or have very low fees for low-income parents. Upper-income parents pay fees geared to their incomes.

Young children under three who are not cared for in the licensed system are looked after by unlicensed child minders or private *nourrices*. This type of care is not subsidized by the state.

France has an extensive system of free public nursery schools, or *écoles maternelles*, which provide child care for nearly all children (95%) aged three to six. Children two years of age who are toilet-trained are also accepted; about 32 per cent of this age group attended *écoles maternelles* in 1977. *Écoles maternelles* are open for a six-hour day, four-and-a-half days per week (closed Wednesday and half-day Saturday). Outside these hours of operation, working parents pay for before- and after-school care in *garderies* or *jardins d'enfants*. This type of care is usually administered by a private enterprise or administrative body, and access is determined by the employment of the father. Group size in *écoles maternelles* is larger than that considered acceptable by Canadian standards, at 30 to 35 children in each class.

Children aged three months to five years whose mothers are not in the labour force may attend *haltes-garderies*, which are part-time day care centres. The maximum group size is 20.[29] *Haltes-garderies* may also care for children whose parent(s) are employed on Wednesdays, when *écoles maternelles* are closed. There are a few employer-sponsored day care facilities in France, but no information was available on the actual number, or on the number of children attending them.

Children under three with special needs are cared for in *pouponnières*.[30] The Task Force survey indicates that *crèches* and *écoles maternelles* are also encouraged by the government to admit handicapped children into their programs.

Despite reasonable coverage for children under three, and virtually universal coverage for the three-to-six-year-olds, France offers limited child care services for the school-aged child. Some metropolitan schools offer supervised care before and after school and on holidays, and certain *écoles maternelles* have lunch programs and before- and after-school programs.

The Ministry of Education is responsible for preschool care for three-to-six-year-olds, while most of the care of young children falls under the auspices of the Ministry of Public Health and Social Security.

In 1976 building costs for *écoles maternelles* amounted to 6490FF ($1019 Cdn) per child space (excluding the cost of land, which is provided by the municipality). Annual operating costs (including building maintenance) for 1976 averaged 52 853FF ($8306 Cdn) per class of 37 children. The central government paid 55 per cent of staff salaries, and the municipalities paid 45 per cent. Forty-eight per cent of capital costs were contributed by the state. Parents, through their own organizations, contributed towards supply and equipment costs.[31]

*Crèches collectives* and *crèches familiales* for children under three are either free or have very low fees for low-income families. As an example of *crèche* financing, the construction of a 60-place *crèche* in Paris cost between three and four million francs in 1977 (excluding land and exterior space). Kamerman and Kahn report that, of this amount, the national government, through the Ministry of Health, financed 40 per cent of costs, the family allowance fund contributed another 40 per cent, while the municipalities and local operating organizations supplied the balance. National subsidies to *crèches* are set annually by the Finance Ministry, and local governments also provide subsidies.[32]

## German Democratic Republic (East Germany)

East Germany has the most comprehensive centre-based coverage for children under three, of all the countries studied. In 1984, 68 per cent of children in this age group were enrolled in a *crèche*. Practically all children aged three to six years attend public kindergarten. In 1983 some 786 000 kindergarten places were available. In addition, a place in an after-school centre is available for every school-aged child from the first to fourth grade.[33]

In East Germany, publicly-provided *crèches*, or *krippen*, are available for care of all children under three who need it. Buildings for *crèches*, as well as kindergartens and elementary school facilities, are automatically constructed when housing blocks are built, and the joint construction of *krippen* and kindergartens is apparently now favoured. Recommended staff:child ratios for *crèches* are 3:12 for infants under the age of one; 2:15 for children aged one and two years; and 1:15 for children aged two and three years. Caregivers in *crèches* must complete the tenth grade of the regular secondary school system, and then undertake a three-year course at a medical-technical school.[34]

Kamerman and Kahn point out that the goal of *krippen* programs is to ensure optimum social, physical, and cognitive development of children, as well as the provision of custodial care. The *krippen* are intended to "help the parents in education and health care while the parents work,"[35] rather than taking over parental responsibility.

Single mothers working full-time who cannot be given a place in a *crèche* for their child(ren) may stay at home to offer care, and they are temporarily granted a monthly benefit equivalent to the statutory sick pay.[36] This action is clearly consistent with the country's approach to family policy.

No information was available on work-related child care programs, or on programs for handicapped children.

The Ministries of Health and Education are administratively responsible for *krippen* and kindergartens respectively. While little information is available on standards and their enforcement, or on the agencies operating programs, Kamerman and Kahn indicate that in the GDR, specific and elaborated norms are set, such as "hours of operation (6:00 a.m. to 7:00 p.m. maximum), health supervision and check-ups, regime, temperature, nutrition health education, physical space, open-air space, safety, time out of doors, ventilation, lighting, and staff training and qualifications."[37]

In the German Democratic Republic, *crèche* and kindergarten care is free to all children admitted, although parents pay a small percentage of the cost of meals.[38] Child care facilities are fully subsidized by the public and private sectors. No information was available on how costs are shared, or in what amounts.

## Italy

The jurisdiction for child care in Italy is a shared one. The Ministry of Education is responsible for state kindergartens, while municipalities are responsible for day nurseries (*crèches*) and some kindergartens. The Task Force survey indicates that four per cent of children under the age of three are enrolled in day nurseries, and 75 per cent of children aged three to six years attend kindergarten.

The overwhelming majority (93%) of children placed in day nurseries in Italy attend municipal facilities. Private day nurseries situated at the workplace, or those run by religious orders, other agencies or private individuals accounted for only 5 per cent of all day nursery places available.

Day nurseries are open from 7:00 a.m. to 6:00 p.m. Monday to Friday and 8:30 a.m. to 1:30 p.m. on Saturdays. In municipal day nurseries in the Latium region[39] there is one *educator* for every eight infants. The total number of infants taken in can be no less than 35, and no more than 60. Small villages and rural areas that cannot reach this quorum are consequently not provided for.

Nearly two-thirds of children attending kindergarten in Italy in 1982 attended publicly-run facilities (44% state, 17% municipal and 4% other publicly-run facilities). Of the remaining 35 per cent of children who attended kindergarten in 1982, 23 per cent were placed in facilities operated by religious orders. Kindergartens may operate on a full- or half-day basis. Most of the full-day kindergartens are situated in the more heavily industrialized north. In state kindergartens, there is one teacher for each class of 30 children (or 20 children if a member of the class is handicapped).

The Ministry of Education sets standards for state kindergartens and the syllabus for all other kindergartens. The municipalities or regional governments establish standards for municipal kindergartens and day nurseries, with operating criteria varying according to local conditions.

Where the number of places available in kindergartens or day nurseries is limited, priority is given to the children of young single parents. Accurate figures on the number of workplace kindergartens were not available, although a few such programs do exist. In 1981 there were 21 public and 37 privately-run workplace day nurseries in operation, approximately 3.4 per cent of the overall number of day nurseries in Italy.

Information on the costs and financing of day nurseries in Italy is available only for the Latium Region. Here, municipal day nurseries receive no subsidies from the central government, but the region and provinces partially fund start-up costs. Prior to 1981, municipal day nursery services were free to the users, but a small fee is now payable. Fees range from $25 (Cdn) to $42 (Cdn) per month per child, depending upon parents' income. In the case of needy families, infants are cared for without charge.

State and municipal kindergartens are free. A small charge is payable for meals unless family income is very low. The fees for private kindergartens vary; some are very high and, thus, prohibitive to many parents. State subsidies are paid to several private and municipal kindergartens, but no information on this aspect of financing was available. Fees are not tax-deductible.

## Sweden[40]

Swedish child-care policy aims at providing out-of-home care for all preschool-aged children whose parents are gainfully employed or studying, and for each child in special need of support and encouragement. The system is designed to give men and women equal opportunities to combine gainful employment and family responsibilities. In the 1982 fiscal year, 58 per cent of the children whose parents or guardians were employed or studying were covered by the municipal child care system.

The aim of Swedish public child care programs is to provide children with a good, secure growth environment. These programs include the preschool system as well as after-school recreational programs for school-aged children during the early years of compulsory school. Compulsory school commences at age seven.

Apart from unlicensed family child care and a small number of Montessori-type private facilities, all child care in Sweden is municipally operated. Municipal child care programs are regulated by the central government by means of the Social Services Act, which came into force in January 1982.

Municipal child care centres (*daghem*) take children from six months to age seven (school entry age). Most facilities are located in residential areas. Workplace child care is very rare. Child care centres are open from 6:00 a.m. to 6:30 p.m. and, typically, have an infant department with 10 to 12 children aged six months to three years, and a sibling group of 15 children aged three to seven years. A few municipalities are now testing the feasibility of evening and night care. The staff:child ratio for the infant group is 1:4; for the three-to-seven-year-olds, it is 1:5.

Municipally-sponsored family child care is provided by individuals hired by the municipality to care for up to four children, including their own. The program serves infants and preschoolers as well as school-aged children outside school hours. Family child care providers are supervised and co-ordinated by a municipal social services staff member.

Programs available in addition to centre and family home child care, are the following:

(1) *Deltidgrupp* (literally *part-time group*) is intended to provide a preschool experience for older preschool children. A 1975 law requires municipalities to provide places in preschool programs for all six-year-olds. The programs normally run at least 15 hours a week (i.e., three hours a day).

(2) *Fritidshems*, or leisure centres, provide before- and after-school care as well as care during school holidays for children aged 7 to 12 years whose parent(s) are employed. These centres often share premises with sibling groups and infant programs, thereby enabling school-aged children to return to the location where they previously attended child care. These centres employ recreational leaders and child minders.

(3) The care of children who are temporarily ill is an integral part of the child care system. Sick children are cared for at home by municipally-employed child minders.

(4) Supplementary programs such as open preschools, park playground activities, and toy-lending libraries are all part of the public child care system. In these programs, parents and children are given the opportunity to meet with peers and to share experiences.

In 1976 the Swedish Parliament adopted the objective that a child care place be provided for all children whose parents are gainfully employed or studying, and for those children who are in need of special support and encouragement. It was anticipated that full coverage would be achieved within a ten-year period, no later than 1986. As Figure 12.1 indicates, it would appear that the objective will not be achieved by the target date. Nevertheless, there seems to have been considerable progress towards meeting it.

In 1982 (half-way through the implementation period), an estimated 38 per cent of children in Sweden aged 0 to 6 were cared for in the public preschool system, 45 per cent were cared for by their parents or guardians at home, and the remaining 17 per cent were cared for in one of three arrangements: private child-minding facilities (10%), relatives at home (5%), or part-time groups (3%). For school-aged children between 7 and 10, 12 per cent had places in leisure centres; 10 per cent were cared for in family day nurseries; and 48 per cent were cared for by their parents either at home or in a family day nursery where the parent was employed. The remaining 30 per cent either looked after themselves (15%) or were cared for by paid (7%) or unpaid (8%) private child minders.

Municipal child care centres and part-time groups are staffed by preschool teachers who have taken a two-year certificate course after completing high school, and by child nurses who have a one- or two-year high school-level specialization. A three-week training course is offered for family child care workers. As of 1984, 30 per cent of family child care workers had completed the course. According to the Task Force survey, all recognized caregivers are unionized, and earn average wages. The staff turnover rate is low.

The National Board of Health and Welfare assumes responsibility for setting operating guidelines, staff:child ratios, and training requirements for municipal child care services. Municipalities set their own criteria for priority placement. Single parents are usually able to obtain a place for their children at six months, and many two-earner couples are also able to obtain a place without too much difficulty. Children with special need for support, such as those with physical, mental, social, linguistic or developmental problems, are often given priority on waiting lists. They are integrated with other children into the regular child care programs, and early participation in a full-day child care program is recommended for them.

Approximately 90 per cent of municipal child care costs in Sweden are covered by central and municipal government subsidies to centres. In 1978 the central government subsidy covered 51 per cent of total child care centre costs, the municipal subsidy covered 39 per cent, and parent fees accounted for 10 per cent. In the same year, the central government subsidy covered 43 per cent of municipal family child care operating costs, municipalities covered 44 per cent of the costs, and parent fees accounted for the remainder. Because capital costs are not included, costs of family child care are somewhat lower for the central government.[41]

User fees are set by municipalities, although there is a recommended fee scale. Fees are scaled-to-income, with many parents paying nothing. Part-time preschool for six-year-olds and for younger children needing special support is free to the parents.

In 1984 the operating costs for day nurseries were estimated at SEK 50 000 ($8275 Cdn) per child. The central government pays SEK 22 000

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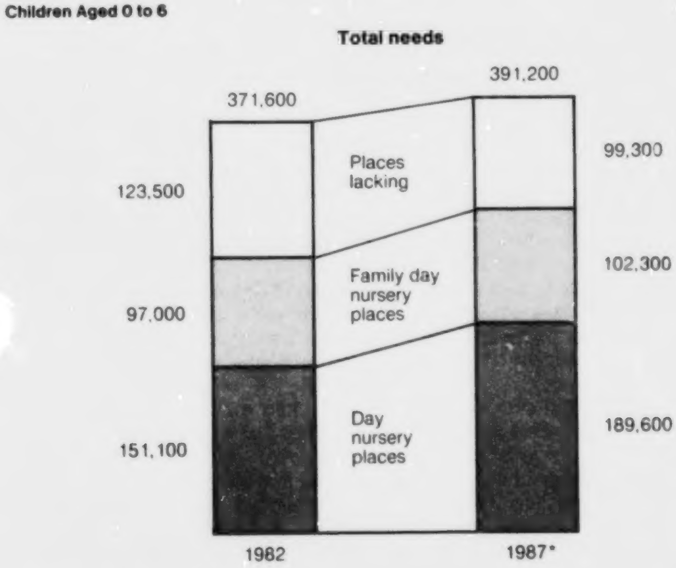
**FIGURE 12.1**

**Need for and Availability of Child Care in Sweden, 1982 and 1987***



* According to the most recently available plans and forecasts from local governments

**Source:** Reproduced by permission of the publisher, from The Swedish Institute, *Child Care Programs in Sweden*, Fact Sheets on Sweden, (Stockholm: 1984), p. 3.

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($3310 Cdn) for each child who spends at least seven hours daily in the day nursery; and a half-subsidy of SEK 11 000 ($1820 Cdn) for children spending four to seven hours in the nursery. In addition, a subsidy of SEK 30 000 ($4965 Cdn) is provided for full-time staff members who work directly with a group of children. For children receiving special support, a subsidy of SEK 6000 ($993 Cdn) for every 10 children is provided by the municipality.

Subsidies for family child care are lower because of the lower capital costs. Subsidies for family child care were SEK 15 000 ($2482 Cdn) in 1984 for a child attending full-time. Open municipal preschools receive a subsidy of SEK 50 000 ($8275 Cdn) per unit from the central government.

Child care accounts for approximately 3.4 per cent of the social welfare budget in Sweden. A major source of funds for social welfare in Sweden is a payroll tax on employers.

## United Kingdom

The Task Force survey indicated that in 1981, approximately 5.4 per cent of children under the age of five in the United Kingdom attended day nurseries or were cared for by registered child minders. However, 40 per cent of children aged three and four years received nursery education in nursery schools or primary schools with nursery classes.

The Department of Health and Social Security has the main responsibility for child care policy in England and Wales. The Department of Education and Science has the responsibility for education provided by local education authorities, including provision of nursery education for children aged three and four years.

Day nurseries may be provided by local authorities. Priority in allocating places at these day nurseries is given to children who have a special social or health need for day care. However, demand for places far exceeds supply. Day nurseries may also be provided by private individuals, including employers, and by voluntary organizations.[42] All private day nurseries must be registered with the local authority, which may impose certain standards as a condition of registration.

The survey indicates that just over one-half of all day nursery places for children under five in England in 1981 were sponsored by local authorities. These publicly-sponsored spaces served about one per cent of the children under five. Only 3.8 per cent of day nursery places were provided by employers.

Family day home providers (known as *child minders* in the UK) are required to be registered with local authorities, who may make certain requirements a condition of registration. In recent years, local authorities have also developed sponsored child-minding schemes under which they employ child minders to care for those children with special needs (children of single parents, children of ethnic minority groups, disabled children and children whose home environment is considered unsatisfactory) for whom the day nursery is not considered the best form of care. In 1981, there were 100 900 places available with registered child minders. There are no figures available on the extent of unregistered child minding.

Play groups, which are a popular form of activity for three- and four-year-olds, are provided by voluntary groups. As each session lasts only for about three hours, this type of care supplements parental and non-parental care. Registered play groups had 364 800 places, which could serve approximately 13 per cent of the children under five in England.

Local education authorities have discretionary powers to provide education for children below the age of five. Children aged three and four years may attend nursery schools or nursery classes attached to primary schools; four-year-olds may also be admitted to the reception classes of primary schools, where they will be with children of statutory school age (5 years and older). Most children attend on a part-time basis and special-needs children are given priority for admittance. Public nursery schools are usually staffed by qualified teachers and nursery assistants, most of whom have nursery nursing qualifications, although there is no statutory requirement in this respect.

According to the Department of Education and Science, as a general rule, during school hours and lunch times, children are supervised by school staff; outside school hours, children are the responsibility of their parents.

In the United Kingdom, publicly-funded day nurseries or sponsored child minders are usually provided free of charge or at a very small charge to the user. Most day care arrangements (i.e., employment of nannies or child minders, and private nurseries) are made and paid for directly by the parents. A very few employers provide subsidized workplace nurseries for use by their employees, for whom this is considered a taxable fringe benefit. Some care, particularly in play groups, which are run for part-day sessions only, is financed by a combination of user fees, voluntary fund-raising and local authority grant aid.

In general, local authorities and the central government provide the resources for financing of publicly-run day care services. In the case of publicly-provided nursery education, funding is jointly financed by central government grants and additional income received from local taxes. No fees are payable for nursery education provided in the public sector. The great majority of care arrangements in the United Kingdom are made privately by parents and paid for by them, unassisted by government.

## United States

Since there is no systematic collection of child care data on a nation-wide basis in the United States, there are no complete, up-to-date figures on coverage and type of care provided.

A small proportion of children under the age of three receive centre-based day care. According to Kamerman and Kahn, three to four per cent of children under three received care in day care centres for 10 or more hours per week in 1975. Other very young children were placed in non-relative family day care (most of which is unlicensed). Family members and relatives continue to care for the majority of very young children.[43]

The ratio of public to private day care centres caring for children under three is 1:3. Direct public operation is provided by state and local governments, schools and other agencies. More than one-half of private centres operate on a profit-making basis.[44]

Parents have great difficulty in finding child care for very young children. A report of the Select Committee on Children, Youth and Families in 1984 concluded that the major barrier to improving the availability of infant day care in both family day care homes and day care centres is the cost of such care to both providers and parents.[45]

Out-of-home child care in the U.S. is primarily geared towards children aged three to five. Kamerman and Kahn estimate that, in 1978, about 68 per cent of children aged 3 to 5 attended a day care centre or preschool program such as private nursery schools, public pre-kindergartens and public kindergartens, or a combination arrangement. The great majority of these children, however, were enrolled in part-day preschool programs. Since the preschool programs are usually part-time, many parents combine preschool and day care (especially family day care) as well as other informal care arrangements. It is estimated that a half-million of the children attending preschool programs also attended centre day care or family day care.[46]

Publicly- and privately-sponsored preschool programs (as opposed to day care) provide the largest share of care arrangements for children aged three to five years. Children whose mothers are in the labour force are more likely to be enrolled in preschool programs, especially children of higher-income, better-educated women who can afford to pay for these programs.[47]

Head Start, which was launched in 1965 as part of the Johnson administration's "war on poverty," is a comprehensive preschool program that also offers medical, nutritional and social services to children of low-income families. An estimated 400 000 children, largely three- and four-year-olds, attend Head Start programs, of which about one-fifth are in full-day programs.[48]

Day care is also sometimes provided as a support service to those who are in assistance-related career training programs such as the Work Incentive (WIN) program for Aid to Families with Dependent Children (AFDC) recipients, and job-training programs under the Comprehensive Employment and Training Act.[49]

Although the federal government in the United States funds a number of child care programs, child care services are a state and local community responsibility.

Day care is usually administered by social service agencies, while nursery schools and pre-kindergartens are administered by education departments. Health departments have a role in certifying centre facilities and family day care mothers, but as far as public day care is concerned, public social service departments take the lead. Private nurseries and public pre-kindergarten classes are in the educational stream, both for regulation and operation, and personnel at most day care centres are trained in early childhood education. Head Start is sometimes treated as an education program, at other times as a social service.[50]

Prior to 1982, Title XX of the Social Security Act provided federal funds to states specifically to assist low- and moderate-income families. In 1982 the Social Services Block Grant replaced the Title XX Social Services Program. Funding levels were reduced by 21 per cent, and $200 million in federal funds for child care were eliminated. Other supporting services, such as the child care nutrition program, were also reduced, with the result that the majority of states have since reduced their child care services for low- and moderate-income families.[51]

The Education For All Handicapped Children Act of 1975 authorizes incentive grants for states to develop services for handicapped children aged three to five years. The Act makes no provision for handicapped children from birth to age three.[52]

Few employers in the U.S. provide (or subsidize) child care services for children of employees. In 1982, 415 companies (up from 105 in 1978) provided on-site facilities or other forms of employer-supported child care services, including cash payments, information and referral services, family day care homes, corporate contributions to community child care programs, and educational programs for parents. Whereas in 1978, 71 per cent of employer-supported programs were found in hospitals, 20 per cent in government agencies or unions, and only 9 per cent in industry, by 1982 the number of industries with child care programs (197) surpassed the number of health care organizations with child care programs (195). However, health care organizations were much more likely to provide assistance by establishing child care centres at the workplace (152) than was industry (42), which preferred to offer other forms of child care assistance to employees.[53]

Several tax deductions and incentives are provided to employers with child care programs for employees. For example, amounts paid by a business to provide day care to employees may be claimed as business expenses, and rapid amortization is allowed on facilities used solely for the care of children of employees.[54]

Unfortunately, complete and up-to-date figures are not available on federal funding in the United States for child care programs. Kamerman and Kahn estimate that annual child care costs associated with social service day care in 1975-1976 were $8.8 billion (U.S.), of which government paid $2.5 billion (28%) and parents $6.3 billion (72%). Most of the federal reimbursement to the states has traditionally been for child care costs associated with work-related programs for the welfare poor and child care costs of the working poor, whether for centre or family day care (formal or informal).[55] As a consequence of 1981 legislation, which incorporated Title XX program into the Social Services Block Grant program and reduced funding levels, most states have reduced their child care services for low- and moderate-income families.[56]

Kamerman and Kahn estimate that average operating expenditures for a full-time space in all types of centres in 1976-1977 were $1630 (U.S.) for a full year. Owing to higher child:staff ratios, lower wages and fewer services, profit-making centres' expenses were found to be less than those of non-profit centres with federal financial participation. Non-profit centres spent $2190 (U.S.) per child per year in 1976-1977. The average charge for centres collecting fees from parents was $26 (U.S.) weekly; where costs were reimbursed by welfare programs, the average was $31 (U.S.) weekly. The average annual expenditure per student for public or elementary school (attending 36 weeks per year) was $1480 (U.S.) in the same year.[57]

A child care tax credit that declines with income may be claimed for child care expenses for children under age 15 by married couples, when both spouses work full-time, or when one spouse works full-time and the other spouse works part-time or is a student, and by lone parents. The limits of eligible expenditures are $2400 (U.S.) for one dependent and $4800 (U.S.) for two or more dependents. An estimated $1.765 billion (U.S.) was spent under this program in 1984.[58]

# CHILD CARE IN CANADA COMPARED TO OTHER COUNTRIES

## Types of Care

The prevalent types of care in Canada are: unlicensed family home care, licensed centre care and licensed family home care, in that order. Workplace child care is available only to a small segment of the population. While the Task Force did not examine kindergarten education, nursery schools and play centres, these programs are also available. Types of care available in Canada are similar to those found in other countries.

No one type of child care seems to be predominant in the countries surveyed. Most countries employ a system that incorporates both centre care and licensed family home child care. From the data available, the planned economies seem to favour centre care even for infants, and these facilities are constructed as integral components of their housing developments.

Sweden has a greater variety of care arrangements than the other countries surveyed, including Canada. In addition to licensed family home and centre care, this country provides part-time group care, leisure centres, special care for sick children, and supplementary programs such as open preschools and toy-lending libraries as part of a comprehensive child care system.

## Coverage

In Canada the licensed sector (centres and family homes) covers about 9 per cent of children whose parents work or study a substantial part of the week. The remaining 91 per cent are cared for in the unlicensed sector. The proportion of total children served — the measurement used to express coverage by most countries surveyed — is much smaller: sufficient licensed spaces existed in 1984 to serve less than 4 per cent of the Canadian population under 13 years of age.[59] The three-to-five-year-old population was the best served, with 10 per cent receiving care in licensed child care centres or licensed family homes. Comprehensive Canadian data on the number of children attending part-day nursery or preschools are not available. Only 3 per cent of children under 3 received licensed child care in 1984 and only 1 per cent of children aged 6 to 12.

With the exception of East Germany, in which 68 per cent of children under 3 years of age are enrolled in *crèches*, a minority of children in this age group were served by licensed child care programs in the countries surveyed. In Canada only 3 per cent of children in this age group receive licensed care, which is comparable to the situation in Austria (less than 1%), Italy (4%), the United States (3 to 4%) and the United Kingdom (5.4% of children under 5). The remaining countries have much better coverage. About 20 per cent of French children under the age of 3 receive care in licensed *crèches*, as do 20 per cent in Czechoslovakia. Denmark estimates that 40 per cent of children under 6 were covered by the public child care system in 1979. The government of Sweden estimates that 38 per cent of children aged 0 to 6 were served by the public preschool system in 1982 and another 3 per cent in part-time programs, and that this met approximately 58 per cent of the demand by employed parents.

As in Canada, children in the 3-to-5 age group are best served with child care programs in all of the countries surveyed. Most European countries operate kindergarten programs for the majority of their 3-to-6-year-old population under the auspices of the education department. Some are full-day programs, while others are half-day programs equivalent to private nursery school programs found in Canada.

In France, 95 per cent of 3-to-6-year-olds are enrolled in *écoles maternelles*, together with 32 per cent of 2-year-olds. The government of East Germany reports that virtually all children aged 3 to 6 in that country are enrolled in public kindergarten. In Czechoslovakia, 91 per cent of children aged 3 to 5 are enrolled in public kindergartens, which usually offer care from 7:00 a.m. to 5:00 p.m. In Denmark 90 per cent of 3-to-7-year-olds attend the public school system and 50 per cent are also enrolled in a licensed child care program. Seventy-five per cent of 3-to-6-year-olds in Italy attend public kindergartens either full- or half-day, as do 75 per cent of the same age group in West Germany. In Austria, 30 per cent of 3-year-olds, 60 per cent of 4-year-olds, and 78 per cent of 5-year-olds attend day care centres.

In Sweden children start school at the age of 7, much later than their counterparts in other European countries. In 1976 the country established a goal of meeting the demand for child care spaces by 1986. Although this goal will not be accomplished by the target date, Sweden seems to be well on its way to meeting it.

The care of school-aged children continues to be a problem in all countries. Even in France, with an almost universal system of preschool education and a good supply of infant facilities, care for school-aged children is very limited. The available information suggests that coverage for this age group is also very limited in Austria and Finland. East Germany provides after-school care for all grade-one-to-four students. Sweden, where formal schooling starts at the age of 7, comes closest to providing a model of care for school-aged children through leisure centres and family child care homes. In 1984, 22 per cent of Swedish children aged 7 to 10 were enrolled in community child care centres; another 48 per cent were cared for before and after school by their parents or in employer-sponsored programs; and 30 per cent received care in private arrangements.

While the demand for child care spaces exceeds the supply for one or more age groups of children in most countries surveyed, Canada ranks with the United States and the United Kingdom in the bottom third of the countries studied with respect to coverage.

## Sponsorship

In Canada, child care programs are generally developed by provincial and territorial departments of social services. Public school education from age five or six falls under the jurisdiction of departments of education. This is similar to the situation in other countries; child care programs are generally operated by Ministries of Health and Social Services, and kindergartens by Ministries of Education.

Canada differs from most European countries in that kindergarten education in Europe commences at an earlier age. While most Canadian provinces have kindergarten programs for five-year-olds (and some four-year-olds),[60] this type of preschool education is by no means universally state-sponsored. On the other hand, in most European countries, preschool education starting at the age of three seems to be a central aspect of child care policy and programming. Some countries, including France, West Germany and East Germany, accept children in kindergarten programs at two years of age. These preschool programs focus on the cognitive and social development of children and are considered necessary preparation for school entry. This orientation has the result that, even in a country such as West Germany, where child care is considered solely a parental responsibility, the majority of three-to-six-year-olds attend kindergarten programs.

The approach used by Sweden and Finland is to integrate services for preschool children into a single Ministry or department. Programs are available for twelve hours daily, a longer period than programs offered through the school systems in some other countries. Sweden is now experimenting with evening and night care to accommodate the needs of shift workers. Sweden also has an express policy of employment equity for parents of both sexes, and its child care and parental leave policies are directed to achieving this end.

## Standards

In determining standards of care, we usually look at group size, child:staff ratios, and caregiver qualifications. Standards in Canada are determined by provincial legislation. Provincial standards for staff:child ratios and group sizes in child care centres are outlined in Chapter 7 of this report. In family child care homes, the ratios range from one caregiver to three children, to one caregiver to eight children (see Table 7.4, Chapter 7), with no more than six preschoolers in a group. Training is considered to be an important ingredient of good care, and some jurisdictions set specific requirements for their staff. Generally, however, while efforts are being made to upgrade caregiver education in Canada, there are still significant gaps.

In terms of group sizes and child:staff ratios, Canadian standards compare favourably with those in other countries. Some countries, France and East Germany in particular, with higher rates of coverage have much lower standards. France permits groups of 120 in *crèches collectives* and staff:child ratios of 1:30-35 in *écoles maternelles* for three-to-five-year-olds. In terms of caregiver education, Canada lags behind most European countries, which require specialized vocational training for child care workers.

## Financing

Government spending on child care in Canada by the federal, provincial and territorial governments combined amounted to some $542 million in 1984-5.[61] Of this total, some $255 million was offered in the form of tax assistance to parents, $186 million in child care subsidies for low-income families, $54 million in operating grants to licensed centres and licensed family homes; $23 million for care of handicapped children; $17 million in child care allowances to parents taking occupational training courses; and $7 million in start-up grants to centres and family homes.

Of this spending, only child care subsidies and operating grants contributed directly to the operation of the child care system in Canada, a total of $240 million in 1984-5. Using prevailing wage rates for child care workers in 1984 and average provincial/territorial child:staff ratios, a report produced for the Task Force concluded that the cost of operating the 171 654 licensed child care spaces in the country in 1984 was approximately $516 million.[62] Government revenues, therefore, contributed some 47 per cent of this amount and user fees 53 per cent. Individual families paid between 0 and 100 per cent of the cost of care for each child, depending upon whether or not they were eligible for subsidy based on family income and their province of residence.

In most countries surveyed, a greater proportion of the cost is borne by government, and parents are expected to pay only a minor proportion of the costs. The following table indicates the relative contributions from public revenues and user fees in the countries studied.

## CONCLUSIONS

National responses to the issue of caring for children are influenced by many factors and vary from country to country. Policies differ markedly and are based on diverse objectives and assumptions. It is very difficult to pinpoint a common thread or approach to child care in other countries. There are, however, a few factors existing in other countries that warrant highlighting for further consideration in any new child care initiatives within the Canadian context.

### TABLE 12.2

### User Fees as Percentage of Child Care Centre Operating Costs

| | User Fee Portion (%) | Municipal/National Government Support (%) |
|---|---|---|
| **Austria** (Vienna) | 13 | 87 |
| **Canada** | **53** | **47** |
| **Czechoslovakia** | 0 | 100 |
| **Denmark** | 20 | 80 |
| **West Germany** | 33 | 67 |
| **Finland** | 12 | 88 |
| **France** | 0 | 100 |
| **East Germany** | 0 | 100 |
| **Sweden** | 10 | 90 |
| **United States** (1975-76 estimates) | 72 | 28 |

**Notes:** Insufficient information was available on child care financing systems in Italy and the United Kingdom to include these countries in this table.

The increase in female labour force participation has heightened the demand for the provision of affordable quality care for children in all countries studied. Countries have responded to this demand in different ways. Some have assumed state responsibility for providing child care services, while others have left it to the private sector and individual parents. The issue of child care is linked to the evolution of relations between the family and society. The way it is approached in any country is dependent on the social, economic and cultural ethos of the society concerned.

The catalyst for action in those Western European countries that have succeeded in developing much more comprehensive systems of child care than Canada's (Austria, Denmark, Finland, France, Italy, Sweden and West Germany) appears to have been a concern for the welfare and healthy development of children. Many of these countries have articulated policies acknowledging that investment in their children will yield future dividends for society as a whole.

The design of the child care and parental leave systems in these countries also reveals a policy intention: (1) to provide parents with a choice of care arrangements, including job security for parents who wish to provide care themselves, and (2) to provide the support services needed by families with various work and homemaking patterns. Essentially, the policies of these countries acknowledge (tacitly or otherwise) that, as the composition and lifestyles of families change over time, the institution of the family can continue in its role of supporting and nurturing present and future productive workers only if supported by social services relevant to the needs of real families of the day.

There is no simple solution to the child care dilemma. As we strive to develop a Canadian solution to our own child care crisis, the experience of other countries can provide a useful point of reference. Those measures, programs or approaches that fit into our own philosophy, framework and way of life may be quite readily adapted to the Canadian context. In this chapter we have examined the approaches taken in 11 other countries to respond to the child care needs of the changing family. In Part III of this report we will set out our recommendations for the development of a comprehensive child care and parental leave system for Canada.

# PART III

# PLANNING FOR TOMORROW

# Introduction

IT IS CLEAR from the discussion in Part One of this report that child care and parental leave programs in Canada today do not constitute a system in any sense of that term. They are, rather, a miscellaneous collection of measures that fail to adequately meet the needs of children and their parents, or to support the quality of family life. In Part Two we saw that the present state of child care in Canada is on a par with the state of education in this country in the late 1800s and health care in the 1930s. In a global perspective, Canada's child care and parental leave programs lag far behind systems operating in most western industrialized countries.

Our investigation revealed that, while child care licensing and training systems do exist in most areas of the country, so few licensed child care services are available that only a small minority of children who receive child care on a regular basis benefit in any way from these systems. In 1984, for example, just 172 000 licensed child care spaces were available in the country, sufficient to serve only nine per cent of the children whose parents worked or studied 20 hours or more each week. The remaining children — an estimated 494 000 on a full-day basis, 1 284 000 on a daily basis before and after school, and an additional 2 739 000 on a part-time or intermittent basis — are left in unlicensed care arrangements, which, by definition, are not subject to even minimal standards, or to any system of quality control. This should be a matter of concern to us all, for although individual unlicensed care arrangements can be very good, many are not, and some are actually dangerous for children.

While the uncertain quality of unlicensed child care has always been a problem for families, many more families are now affected, and the effects are becoming more acute. Whereas in the 1960s or even the 1970s, there was a ready supply of energetic young mothers as well as capable middle-aged women available to provide child care on an informal basis, today a majority of both groups are, themselves, in the labour force. As a result, good informal child care arrangements are becoming more and more difficult for parents to find. Children are left in inadequate arrangements, many of them are shifted frequently from one arrangement to another, and perhaps as many as one million Canadian children are left alone before or after school. Parents who wrote to the Task Force described their anxiety and frustration as they search time and again for good care for their children. As the participation in the labour force of mothers with young children continues to rise over the next decade — causing, simultaneously, the demand for child care to rise and the supply of good informal arrangements to fall — the child care crisis can only grow more acute in the years to come.

Families with any special characteristics — parents who work part-time or on shift, have low incomes, live in a rural area or have a handicapped child, for example — have particular difficulty finding adequate care for their children. With so few services available, in most areas of the country, child care centres have long waiting lists, whether or not an attempt is made to accommodate any of these special needs. Good, reliable, drop-in or intermittent child care services — needed by homemakers and employed parents alike while they volunteer, socialize or simply take a break — are virtually unheard of in Canada.

We found also that government spending on child care, totalling some $542 million in 1984-5, amounted to just $116 for each child under 13 years of age. Most government spending — at least 85% of the total — takes the form of tax relief to parents, or child care subsidies for low-income families. Both programs are so inadequate and inefficient that only a minority of qualifying families derive any benefit from them. The majority of Canadian families, in fact, receive no assistance whatsoever with either the cost or selection of child care services.

We examined, also, public programs for parental leave in Canada. These, too, were found severely lacking, particularly when compared to provisions in other industrialized countries.

We found that, although a system of maternity leave and benefits does exist in Canada, only about half the women workers who give birth each year claim Unemployment Insurance benefits. There are several possible reasons for this. In most areas of the country, an employee is entitled to leave for maternity only if she has worked for the same employer for at least one year. Several groups of employees — domestic workers, farm labourers, students, the self-employed and their spouses working in the same small business — are not entitled to take maternity leave, or to collect benefits, or both.

Those who are entitled to take leave with Unemployment Insurance benefits must take 17 weeks of leave to collect 15 weeks of benefits, yielding an effective replacement income of just 53% for most claimants. The replacement rate is even lower for women who take shorter leaves or whose incomes exceed maximum insurable earnings. Only a tiny minority of Canadian workers have access to maternity leave at their regular rate of pay. Adopting parents and natural fathers are even less fortunate, being ineligible in most parts of the country to take leave, or collect benefits, or both.

Only employees working in businesses under federal jurisdiction, and a small number covered by clauses in collective agreements, are entitled to extend the maternity leave period beyond 17 weeks. A few unions have secured for their members the right to take a few days' leave each year to care for sick children or for other family reasons, but for most Canadian workers, the illness of a child or of the child's regular caregiver can be a source of conflict with their employers, loss of income and stress at home.

Most European countries, on the other hand, provide maternity leave that is longer, and income replacement that is higher than that available in Canada. Most also provide a statutory annual allotment of leave to care for sick children. Usually parents are allowed to share these leaves between them. Several countries provide additional benefits to working parents, including extra annual vacation leave credits and reduced working hours for nursing mothers.

Current child care and parental leave programs in Canada fail to recognize and accommodate the need of modern parents to combine both work and family responsibilities. This situation places a great deal of stress on families, and the costs incurred reverberate throughout our society and our economy, having both immediate and long-lasting effects. Our inaction affects public spending for health care, remedial education, the criminal justice system, and welfare. Inadequate child care and parental leave programs also affect productivity, in both the short and long run. Both today's workers who are parents and tomorrow's workers who were raised in inadequate arrangements, will be affected if we fail to provide the programs that families need.

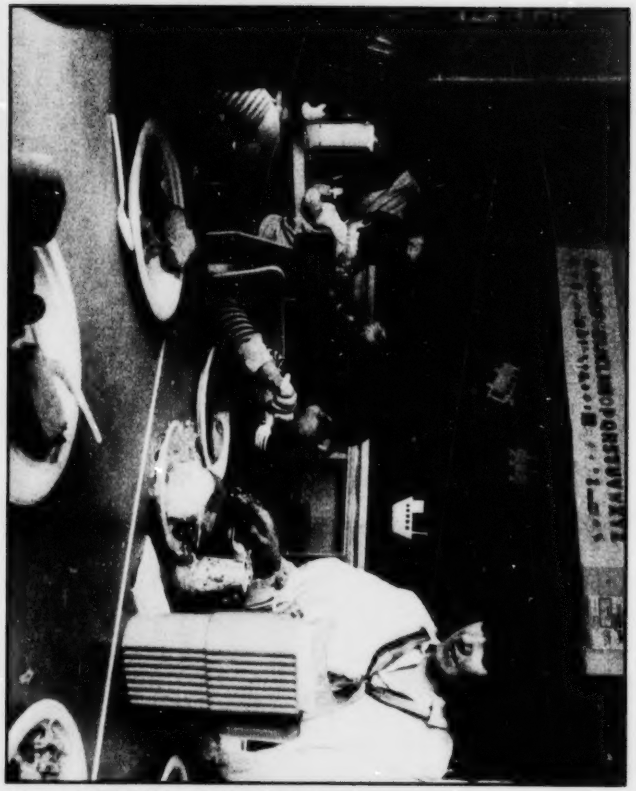
The Task Force believes that the present state of affairs with regard to the care of our children must not be allowed to continue. In fact, we believe that the child care situation is in a state of crisis, and that serious consequences will result if steps are not taken immediately to rectify the situation.

Our general prescription is that the federal, provincial and territorial governments, working together, should immediately take steps to **develop complementary systems of child care and parental leave as comprehensive, accessible and competent as our health care and education systems.** By *comprehensive*, we mean that a sufficiently varied range of programs should be offered, so that the needs of all families may be served wherever they reside in Canada. By *accessible*, we mean that every child should be able to participate in the programs offered, regardless of handicap or social condition, family income or employment status of parents. Finally, by *competent*, we mean that programs should be designed not only to fulfil the needs of families for consistent, reliable services and flexible timing, but have as their primary objective the delivery of quality care that meets the developmental needs of children. The development of these systems will be costly and will not be achieved overnight. However, we believe that if we start now, they can become a reality in our country.

We perceive a growing awareness, on the part of Canadians, of the need to do more for children and for families with children. The concerns raised in 7000 letters received by the Task Force from Canadian parents, as well as in more than 200 briefs received from organizations confirm this perception.

In this Part, we will first outline, in Chapter 13, the essential components of a comprehensive, accessible and competent child care system, together with a discussion of how such a system can be made a reality in Canada. In Chapter 14, we will set out our recommendations for a complementary system of parental leave, and in Chapter 15, we will identify the costs and benefits of these programs.

Health and Welfare Canada, Public Affairs Directorate



Health and Welfare Canada, Public Affairs Directorate

# 13

# Towards a System of Child Care

## INTRODUCTION

IN THE INTRODUCTION to this Part, we stated our conclusion that current child care arrangements in Canada are inadequate to serve the needs of children, their parents or society at large. The available licensed services are too few, are poorly distributed, receive inadequate assistance from public revenues, and lack the variety needed by Canada's diverse families and children. Failure to meet these needs has adverse consequences for children, their parents, the quality of family life, the public purse, and our economic prosperity. Our general prescription is that the federal, provincial and territorial governments must begin now to **develop complementary systems of child care and parental leave that are as comprehensive, accessible and competent as our systems of health care and education.** We recognize that this objective will be expensive and that it cannot be realized overnight, but equally, we believe that if the first steps are taken now, sound systems of child care and parental leave can be a reality in our country before the end of this century.

In this chapter we will first outline the essential components of a comprehensive, accessible and competent child care system, following which we will give our analysis of which level of government should take the lead to bring such a system into being. Finally, we will propose an approach to financing the system.

## COMPONENTS OF A CHILD CARE SYSTEM

A sound child care system will be multi-faceted, offering a range of services and catering to the variety of needs of children and families. It is not our intention to design the system, as we believe this should be done as a collaborative effort, involving government, child care providers and users of the services.

We do, however, believe that we have a responsibility to identify the essential components of a system of good child care. The ultimate tests of the adequacy of a child care system, as we have stated, are comprehensiveness, accessibility and quality.

## Comprehensiveness

A child care system will meet the test of comprehensiveness when it offers the full range of services needed by the diversity of families and children in Canada. The following types of services are seen by the Task Force as necessary elements of a comprehensive system:

- — group care in licensed centres employing qualified staff;
- — supervised family home care with trained caregivers;
- — evening, overnight and weekend services to provide care for children whose parents work shifts;
- — seasonal child care services;
- — special programs for school-aged children: before-school, lunch hour and after-school programs; full-day programs for school breaks and summer holidays;
- — workplace child care;
- — half-day nursery schools and play centres for infants and preschoolers;
- — respite and drop-in care during day-time, evening and weekend hours while parents study, shop, volunteer or take a break;
- — emergency services for the sick child or the child of a sick parent or caregiver;
- — primary prevention services, including diagnostic, counselling and health care services, parenting and preparation for parenthood classes;
- — resource centres for parents and care providers;
- — toy and equipment libraries, including mobile services;
- — information and referral services.

A comprehensive system of child care would attempt to provide comparable services everywhere in the country, as do our health care and education systems. It would provide a sufficient supply of services to accommodate every child within the system. A comprehensive system would also accommodate, in the design of programs, the special needs of native children, of ethnic minority children, of handicapped children, and of children at risk.

The design of a comprehensive system of child care will require considerable creativity and foresight. We cannot afford to have our vision limited by what currently exists, but must be willing to break new ground, to experiment and to develop new approaches to accommodate the variety and complexity of needs.

## Accessibility

The second underlying principle for a child care system is to provide services that are accessible to all children in need of care, regardless of their parents' level of income and whether or not they are gainfully employed outside the home. The access of children to quality licensed services must not be limited, as it is now, by their parents' ability or willingness to pay for the needed services, or by the availability of a subsidized space.

While it is expected that utilization of the service will be voluntary, a broad range of services should be offered to permit maximum choice. In addition, child care environments and programs must be designed so that handicapped children have full access to them.

Families have access to services only if they are offered at times and in locales in which they are needed. The survey of parents conducted for the Task Force found that 33 per cent of the employed mothers worked regular evening or weekend shifts. Other families require care on a seasonal basis, including those employed in farming, fishing and tourist industries. An effective child care system must recognize these realities and ensure that the hours during which services are offered accommodate the working hours of parents.

The impact of transportation on accessibility must also be taken into consideration. In urban areas, access can be assured by placing child care services in local neighbourhoods (in the way that neighbourhood schools have been established), at places of employment or close to major transit routes. In rural areas, it may be necessary to provide transportation as part of the service.

## Competence: Delivering Quality Services

In Chapter 6 we defined good child care as care that meets the developmental needs of children, provides support to parents, and coordinates with community health and counselling services. Children's developmental needs were identified to be: the need for food and nutrition, for health and medical care, and for a safe environment; the need for love, compassion and understanding; the need for consistency and security; the need for challenging experiences; the need for freedom within structure; and the need for praise and recognition. From the perspective of parents, child care programs are competent only if the services are also reliable, affordable, and consistent with their values and beliefs. From a public policy perspective, good child care programs should be closely coordinated with public health, family counselling and other similar services in order to provide assistance to families when needed.

Delivery of good child care is dependent on the availability of good caregivers. It is vital that caring individuals be attracted to and retained in the field, and that resources be made available to provide them with the necessary training to develop and maintain their skills. Earnings of child care workers are very low in relation to other occupations requiring a similar level of skill and training. This contributes to high rates of staff turnover in many centres and family home child care programs, resulting in a loss of consistency and security for children enrolled in these programs. As the need for child care services continues to increase rapidly, the means must be found to accord caregiving the status and remuneration it deserves. Caregivers should receive salaries and benefits commensurate with workers in education, nursing or social services, who have similar training and experience.

The second major ingredient of good child care is parental involvement. The child care system should ensure that the role of parents as the first and principal nurturers of their children is recognized, respected and enhanced through opportunities for parental involvement in the design and implementation of child care programs. Parents can fulfil a variety of functions in child care programming, from serving on boards of directors or advisory committees, to preparing a special meal for a child care centre or serving as volunteer personnel in the program. The participation of parents is a key ingredient in maintaining consistency for the child between home and child care environments.

A system of quality child care would provide care for children in small groups, with child:staff ratios that do not exceed recommended levels (no more than 3 infants to 1 caregiver, no more than 10 preschoolers to each caregiver, no more than 12 children 6-to-12-years-old per caregiver). Sponsorship of licensed family home care is an important contributor to good care in this setting, since it entails regular supervision of the caregiver and offers supporting services such as caregiver training and loan of equipment. The quality of care experienced by ethnic minority, native and handicapped children depends upon awareness among caregivers of the special needs of these children, and how these needs can be integrated into the curriculum.

## THE FIRST STEPS TOWARDS A CHILD CARE SYSTEM

When existing services are so few that less than nine per cent of children whose parents work or study the major part of the week can find care within the system, and governments contribute just $116 for each child, clearly we have a long way to go before a good system of child care, as we have just described it, becomes a reality in Canada. Fortunately, we have the essential tools with which to undertake the task. Sufficient expert knowledge and experience about child development in a child care setting are now available to facilitate the design of good programs. Licensing and enforcement systems are in place in every province and Yukon. (Only the Northwest Territories has yet to develop licensing standards for child care.) Such child care programs as have been developed by provincial and territorial governments have, by and large, been based upon a sound knowledge of the developmental needs of children, and provide valuable models for the development of new programs. Sufficient experience with the delivery of good child care exists in communities across the country, that, once the needed resources are made available, new child care centres and family home child care services can quickly be put into operation.

We believe that the first priorities of government in the development of a new child care system should be:

(1) to improve and stabilize the financial situation of existing services;
(2) to increase the supply of quality licensed services;
(3) to improve the variety of services available; and
(4) to reduce user fees for the services.

Whose responsibility is it to take the first step? Is child care the exclusive domain of one level of government?

In the discussion that follows, we will first review the constitutional authority of provincial and territorial governments over child care and identify the areas in which action by this level of government will be necessary if a new child care system is to become a reality in Canada. Then, we will define the scope for federal action in the design and implementation of a child care system. In the final section of this chapter, we will outline our proposals for financing the system.

### Provincial/Territorial Responsibility for Child Care

A review of the constitutional bases for federal and provincial involvement in child care reveals that the primary responsibility for the regulation of child care services and the development of programs rests with the provinces. Their jurisdiction is supported by section 93 and certain paragraphs of section 92 of the Constitution Act, 1867.

Territorial governments derive their power of self government from a delegation of power from the federal Parliament. The Northwest Territories Act and the Yukon Act provide that the Legislative Assemblies in the territories have jurisdiction to pass laws (called *ordinances*) concerning a list of subject matters similar to those allocated to provincial governments under the Constitution, including social services such as child care.

Provincial and territorial legislative competence embraces licensing and enforcement of standards relating to the physical environment, program and staffing requirements for child care services, as well as training, employment standards and labour relations for employees in these programs. Programs and regulations vary considerably from one jurisdiction to another, as we saw in Part I. All ten provinces and Yukon have developed licensing standards and enforcement systems for child care facilities and services. Most jurisdictions provide small start-up grants, as well as advice and assistance to centre operators.

All provinces and both territories provide a limited number of subsidized child care spaces for low-income families within their boundaries. The primary beneficiaries of these subsidies are children of single parents with very low incomes, and children of social welfare recipients who are considered to be at risk in their home environments. As seen in Chapter 8, the federal government contributes to expenditures made on behalf of low-income families to the extent that the provincial programs fall within the criteria established for the Canada Assistance Plan.

Some provinces have gone further, taking steps to improve access to child care by all working parents and their children. Five provinces (New Brunswick, Quebec, Manitoba, Saskatchewan and Alberta) provide financial assistance to licensed care facilities in the form of operating grants. These have a stabilizing effect on the budgets of licensed centres and family home programs and permit some flexibility in the level of staff salaries and user fees. Because no cost-sharing mechanism exists for these expenditures, these five provinces, which have opted for a policy approach providing a universal funding base from which a system of licensed child care can develop, have been penalized in relation to their counterparts that have maintained, essentially, a welfare approach to child care services. The federal government contributes an average of 48 per cent to the total expenditures on child care in the other seven jurisdictions, but only 32 per cent of the total in these five provinces.

## A Role for the Federal Government

Despite the pronounced and unambiguous nature of provincial jurisdiction over child care, grounds do exist for an expanded federal role in the development of a new child care system. The federal spending power, which can be inferred from the federal power to levy taxes, to legislate in relation to public property and to appropriate federal funds, provides ample scope to both participate in and influence the design of a new system of child care.[1] It is the basis for federal grants to provinces and for involvement in cost-shared programs in areas outside federal legislative competence.

The reach of this power is very broad, based on such cases and commentary as do exist, as well as on current involvement in post-secondary education, welfare and the setting of standards for hospital and medical insurance. This last point highlights one of the advantages of the spending power: the ability to set conditions. Peter Hogg, author of *Constitutional Law of Canada* states that:

> *the federal Parliament may spend or lend its funds to any government, or institution, or individual it chooses, for any purpose it chooses; and . . . it may attach to any grant or loan any conditions it chooses, including conditions it could not directly legislate.*[2]

Experience with the Canada Assistance Plan (C.A.P.) and legislation in the health care field verify that conditions relating to eligibility criteria and to the services offered may be successfully incorporated into federal spending legislation. Consequently, if the federal government were to use its spending power to implement a conditional grants or cost-sharing program for child care, its ability to influence the nature and scope of child care programs across the country would be considerable. It is worth noting that the validity of current federal incursions into areas of provincial jurisdiction undertaken through the spending power has not been challenged in the courts by provincial governments.

The constitution, therefore, provides plenty of scope for the federal government to become involved in a much larger way in the financing of child care in Canada. Assistance to parents could be provided through the income tax system or a direct transfer payment like the family allowance. Alternatively, grants could be made to service providers. Because provincial and territorial governments have responsibility for program design and administration, the Canadian practise has been that funding directed to service providers is paid to provincial and territorial governments, which in turn disperse the funds to the agencies concerned. When making federal funds available to provincial governments or individuals, the federal government has the power to impose whatever conditions it deems appropriate on the payment of such funds. The federal government does not have the power to pass national standards that would automatically apply everywhere in Canada, but it could, conceivably, make compliance with such standards or any other provision a condition of federal financing of child care programs in each province and territory.

A more difficult question is whether and to what extent the federal government *should* impose conditions on such grants. This issue has excited a great deal of comment and controversy in the arena of federal-provincial negotiations and politics in recent years.

The federal government has, over the years, influenced the development of other social services, including public pensions, health care, post-secondary education and welfare services, all of which are recognized areas of provincial jurisdiction. It has done so through its spending power, to ensure that all citizens have access to approximately the same level of essential public services.

Since the Royal Commission on the Status of Women reported in 1970, many child care advocates have joined the Commissioners in recommending the enactment of a National Day Care Act establishing national standards for child care. As stated above, while the federal government cannot directly impose standards on child care providers, it could, by withholding funds from provinces that refuse to enforce specified standards, effectively establish these as national minimums. Those who favour federal standards argue that these would ensure that some minimum quality of service is available everywhere in Canada. Federal action to impose minimum conditions is most frequently recommended in the following areas:

1. *Child:staff ratios*: Ratios in some provinces, particularly for infant care, do not meet commonly accepted norms.
2. *Staff training*: Training is one of the primary determinants of good-quality care. Not all provinces and territories require caregivers in licensed centres to have child care training, and none requires family home caregivers to take even a basic training course.
3. *Services operated for a profit*: Concern about the quality of care offered in centres operated on a profit basis has prompted the recommendation that these centres should not be licensed at all, or that they should not receive public funds.
4. *Quality control*: Concerns are expressed about the level of resources devoted to enforcement of standards and development of quality care services, especially in licensed family home settings.

Arguments against national standards include a concern that conditions vary so much from one area of the country to another as to render national standards meaningless. In practical terms, national standards would most likely be a compromise among existing provincial norms. While this would have the effect of raising standards in some areas of the country, the advantages of leadership in other locales would be lost. The maintenance of quality child care services is a complex matter, certainly affected by the adequacy of licensing standards, but also by consistent enforcement of these standards, program advice and assistance to providers of the services, the availability of adequate financial resources, and the motivation of caregivers. The establishment of standards, no matter how excellent, would not ensure that the services are made available. Indeed, there is certainly some trade-off between the goals of quality and accessibility; is it more appropriate that the federal government settle this conflict rather than provincial or local governments? Finally, it is argued that standards and licensing are truly a matter of provincial jurisdiction, and that the provinces are quite capable and willing to exercise this jurisdiction.

While we share the objective of those who recommend national standards — that is, the development of a comprehensive system of quality care across the country — we believe that, because primary responsibility for regulation and licensing of child care rests with the provinces, the federal government should act with restraint when considering the imposition of conditions on federal funding. Consequently, we will be recommending that the federal government attach the fewest possible conditions to new child care funding.

## Which Government Should Take the Lead?

Clearly, then, the provincial and territorial governments have the legislative competence — the constitutional mandate, so to speak — to solve the child care crisis. Any part of this mandate could also be delegated to municipal governments, which are creatures of provincial governments.

Were the capacity to act sufficient in itself, the necessary child care services might already have been provided by provincial governments, acting alone, in the same way that the public education system was established a century ago. However, we realize equally well that no important social service has been developed in this century without substantial financial assistance from the federal government. This has been true of the development of public pension plans, health care, and social assistance programs, as well as other programs, such as unemployment insurance, maternity benefits, occupational training and post-secondary education, which may be considered economic policies or social services, depending on one's perspective.

Were we convinced, as some observers seem to be, that the acute lack of good child care services in Canada imposes no more hardship than a little inconvenience to a handful of parents, we might have agreed that child care should remain a private matter for individual families to resolve, as best they can. However, we are convinced that the effects of an inadequate child care system are widespread and long-lasting. Alleviating human suffering by providing needed social services is not only humane; it is also good public policy, providing dividends in the form of program savings in other areas, as well as productivity gains for business. Some of these effects will be canvassed in the final chapter of this report.

We consider the development of a sound child care system to be a matter of compelling national interest. **We recommend that the federal government initiate the development of a nation-wide system of child care in Canada, by declaring its willingness to share a substantial portion of the cost of such a system.** This the federal government must do in partnership with provincial and territorial governments, for, just as the child care system will require the fiscal resources that only a national government with the power to levy income taxes can provide, so too will the participation of provincial and territorial governments be essential to develop and regulate the needed programs. We believe that federal leadership is justified because good child care has become a basic need of families with children, and access to it can be assured only through the exercise of the federal spending power.

## ISSUES TO BE ADDRESSED BY PROVINCIAL AND TERRITORIAL GOVERNMENTS

Although we consider it essential that the federal government take the initiative, we recognize equally well that a child care system cannot be developed without the good will and commitment of the provincial and territorial governments.

Provincial and territorial governments will continue to make the key decisions concerning the content and delivery of programs within their boundaries. They will set priorities among needy groups (should more infant care be developed first, or more handicapped spaces? Are single-parent families the first priority or are poor families?) and among program needs (should new resources go into staff salaries to reduce employee turnover; into training; to increase the supply of spaces; or to improve standards and enforcement?). They will determine how quickly the supply of child care services will be increased, and how they will be integrated with other provincial programs such as the public education system. They will also define the scope and style of services provided. (Will care in the child's home be licensed? Will centre hours of operation accommodate shift workers?) They will set minimum standards for the services and maintain regulatory systems to ensure compliance with these standards. They will decide if child care services will be offered by an arm of government as a public service, or by private operators, whether on a profit or non-profit basis. Finally, they will continue to be involved — now in partnership with the federal government — in providing funding to child care services.

However tempting it might be for us to offer advice to these governments on the discharge of these responsibilities, it would be neither appropriate nor prudent for us to do so. This Task Force was established by the federal government to provide advice to that government on action that it can take on the twin issues of child care and parental leave. The examination that we have made of provincial programs and policies was done in this context, with a view to advising the federal government of the variety of needs, resources and approaches currently found in the country, so that federal action would be designed broadly enough to embrace them all. We have not attempted to identify provincial or local needs, or to design programs to meet these needs; nor do we have the tools with which to do so. Provincial and territorial governments will seek advice from their own sources on the issues that we have outlined, as each takes action on them.

## ISSUES TO BE ADDRESSED BY THE FEDERAL GOVERNMENT

While the health care system had its beginnings in a province, the development of a nation-wide system relied heavily on federal effort and leadership. We believe that the development of a child care system will require a similar commitment on the part of the federal government. While respecting provincial jurisdiction, there are actions that the federal government can take to complement the role of the provinces, and in so doing enhance the development of a child care system.

We have said that the immediate priorities of government should be: (1) to stabilize existing services; (2) to increase the supply of licensed spaces; (3) to improve the variety of services offered; and (4) to reduce user fees. The federal government, through exercise of its spending power, can have most direct impact on the first and fourth objectives. By acting on these, it can lay the groundwork for the supply of licensed spaces to increase, even though the federal government cannot cause this to come about directly. Similarly, the federal government can influence the variety of services made available across the country by developing informational materials (for example, on the design of multicultural child care programs) and by the design of federal financing measures.

### National Financing for Child Care

Our analyses have convinced us that nothing is more critical to the resolution of the child care crisis than the injection of a base of public funding for the system. **We recommend that the federal government provide the impetus for the development of a child care system by**

**initiating a new federal-provincial cost-sharing arrangement for child care.**

In the short and medium term, fiscal measures should be designed to stabilize current services, increase the availability of spaces, and improve the affordability of licensed child care. In the long term, we would see licensed child care being fully financed by public revenues, for, as long as user fees are a feature of the child care system, some children will lack access to the services they need, because their parents either cannot afford or will not pay the fees demanded for quality services. Only a system that operates free of user fees, as does our public school system, is truly accessible to all children.

We recognize, however, that an incremental approach is the most realistic and responsible way to reach this goal under current fiscal conditions. Consequently, we have concentrated here on proposing financing arrangements to address the short and medium term, a period of 10 to 15 years. We will be recommending that the federal government announce immediately, as a show of good faith, a modest level of expenditure intended to stabilize existing services while negotiations are undertaken with provincial and territorial governments to cost-share direct child care financing over the medium term. We are confident that after such a time, the move to full public financing of the child care system will be a very short step, a natural evolution in the process.

### Phase One: "Good Faith" Grants

#### *Operating Grants*

The Task Force recommends that the federal government initiate, as a show of good faith, a conditional grant to every province and territory. **We recommend that the Minister of Finance announce in his next Budget Speech that the federal government will, beginning in the 1986-87 fiscal year, provide a grant to the provinces and territories for each licensed space in the country equal to:**

- **$4 per day for each space serving an infant, disabled, or special-needs child;**
- **$2 per day for each full-day space serving preschool-aged children and 6-to-12-year-olds when school is not in session;**
- **$1 per day for each after-school and half-day preschool space.**

No requirement should be imposed that these grants be matched by provincial or territorial spending.

The purpose of this grant is to provide a measure of stability to existing services, and to set the groundwork for development of a comprehensive system. Such funding would relieve operators of on-going concerns about the adequacy of cash flow to maintain their services, and would allow them to concentrate instead on other areas more directly related to delivery of care, such as program and staff development. A grant of $2 per space per day represents 15 per cent of the median cost of care for a preschool child aged 2 to 5. These grants will generate sufficient additional cash flow to provide some stability to existing child care programs, while retaining an incentive for the provinces and territories to participate in the cost-sharing arrangement proposed for the medium term.

Larger grants are recommended for infant care spaces and those serving handicapped children, to reflect the higher costs associated with providing such care. We believe, also, that this measure will assist in developing more spaces for infants, and disabled and special-needs children, spaces that are currently in critically short supply. Similarly, grants for before- and after-school spaces have been set at half the preschool rate to reflect the lower cost of providing care for this age group. **Therefore, we recommend that the grants be conditional upon agreement by provincial and territorial governments to forward the funds to licensed programs, in the differential amounts prescribed.**

We said earlier that we would recommend that the federal government impose as few conditions as possible on new child care funding. However, we do understand that when public funds are being used to support a social service system, the nature of that system is necessarily affected by the reach of the funding program. Consequently, we believe that it is of utmost importance that new funding be directed only to those services that meet acceptable standards of quality. **For this reason, we recommend that all new financing initiated by the federal government be directed only to services that are licensed and monitored by provincial or territorial governments.**

While we do have concerns about such standards as infant child:staff ratios, and training requirements in some provinces, we believe that these will quickly improve, once additional financial resources are made available, and information about the success of quality programs becomes better known.

On the other hand, we find concerns expressed by child care advocates about the quality of care offered in child care centres operated on a profit basis (particularly the large chain operations), and in family homes that are not sponsored or closely supervised by a licensed agency or by public officials, so compelling that, in our view, such services should not be encouraged in the new child care system. **Consequently, we recommend that the good faith grants and all direct child care funding subsequently proposed by us be limited to:**

**(1) licensed centres that are operated by a branch of a provincial or municipal government or by a non-profit agency; and**

**(2) licensed family home child care programs in which individual caregivers are selected, sponsored and supervised by provincial or municipal government officials or a non-profit agency.**

### *Grants for Capital Costs*

A second essential funding component during the initial period is the provision of funds for capital costs. **We recommend that the federal government authorize the Minister of Health and Welfare to offer, beginning in the 1986-7 fiscal year, the following amounts as contributions to the capital costs of creating new child care spaces: $400 per space for centre spaces serving children under 6, $200 per space for school-aged centre spaces and $100 for spaces in licensed family home care programs.** Conditions for this funding would be the same as for the operating grants.

Start-up costs vary to a certain extent depending on the region, the child care setting and whether new construction is being undertaken or simply renovation of existing space. However, according to a study carried out for the Task Force, $5000 per preschool centre space appears to be an average figure for these costs. Figures for school-aged and family home spaces are proportionately less. A grant of $2000 would provide a reasonable down-payment on these costs, allowing the rest to be amortized over a 20-year period without undue hardship for the centre.[3] In the initial Phase One, good-faith grants would provide approximately 20 per cent of the average amount estimated.

Costs for start-up or renovation of existing spaces to serve handicapped children can be much higher and are much more variable, depending on the nature of the handicap. **We therefore recommend that, beginning in the same year, the federal government offer capital contributions equal to 20 per of the cost of establishing each new child care space serving a handicapped or special-needs child, whatever the level of those costs.** Renovations to provide wheelchair access to existing services and to permit full participation by handicapped children in integrated programs should be eligible for these grants, in addition to the creation of new spaces, per se.

### Phase Two: A Cost-Sharing Arrangement

*Cost-Sharing Operating Costs*

The conditional grants described in the preceding section are intended to provide stability to existing child care services in Canada. Once this initial step has been taken, sustained funding will be required to promote expansion of services. Consequently, we view the initial phase as a period during which negotiations will take place between the federal government and the provincial and territorial governments for a medium-term commitment of funds.

**The Task Force recommends that Cabinet authorize the Minister of Health and Welfare to initiate negotiations with each of his provincial and territorial counterparts to replace the good faith conditional grants with a new cost-sharing arrangement. The objective of these negotiations should be to secure the agreement of each provincial and territorial government to fund, jointly with the federal government, one-half of the cost of providing child care programs within their boundaries.** We identified earlier the range of services needed in a comprehensive child care system. Any of the programs in that list should be eligible for this funding, provided that they are:

(1) licensed by a province or territory; and
(2) delivered by a provincial, territorial or municipal government or non-profit agency; or, if in a private home, directly supervised by the same.

Because public funds will, during the medium term, cover only one-half of program costs, parents will be required during this period to provide the other half through user fees. The Canada Assistance Plan, or a similar program, will be needed during this period to help finance user fees for low-income families.

This arrangement is intended to provide sustained funding during the years of transition between the short-term conditional grants period and the long-term goal of a completely publicly-funded system. Once the system is fully publicly-funded, the need for both user fees and subsidies for low-income families will be eliminated.

We have said that the objective for the medium term should be to provide public support for child care equal to one-half of the cost of providing the needed services, and that part of this commitment of public funds should be provided by the federal government, and part by the provincial and territorial governments. The simplest type of cost-sharing formula would split this amount in equal shares, with each level of government providing 25 per cent of the cost of child care programs. Such a formula, however desirable from the point of view of simplicity, is, in our view, inadequate, since it fails to take into consideration the wide variation in fiscal capacity from one province and territory to another. Under such an arrangement, children in the poorest regions of the country may never have access to the services they need, simply because their local government hasn't the resources to provide a full 25 per cent share of funding.

**We recommend that the federal government offer to fund up to 25 per cent of child care program costs in the wealthiest regions of the country, rising to 40 per cent of program costs in the poorest regions, provided that the provincial or territorial government concerned matches the federal funds with spending of its own equal to the 10 to 25 per cent required to bring public spending up to 50 per cent of program costs.** We believe that the principle of flexible cost-sharing is an essential feature of any new fiscal arrangement, so that differences in provincial and territorial financial capabilities will not inhibit the development of a nation-wide system.

In 1984 the government of Manitoba proposed a variable cost-sharing formula for child care based on the provincial or territorial per capita product.[4] Certainly, this is one approach that could be used to assess the relative fiscal capacities of the provincial and territorial governments. We have not specified a formula for determining the percentage provided in each province or territory, but invite the Parliamentary Task Force to give this question further consideration.

The proposed cost-sharing measure will have a profound effect on the child care system, since the funding can be used, among other things, to reduce fees, increase staff salaries, improve child:staff ratios, provide staff training, or hire specialized staff. Each of the provincial and territorial governments, which have direct responsibility for child care programming, will establish its own priority areas for action among these objectives. The funds supporting operating costs will thus make child care more affordable, and challenge the current user-fee approach.

Because existing services are so inadequate and the needs of families so pressing, we cannot afford to wait until agreements are reached with all provinces and territories, before experiencing the benefits of the proposed cost-sharing arrangement. **We therefore recommend that the medium-term cost-sharing arrangement take effect separately in each province and territory as soon as the two levels of government reach agreement on it in each jurisdiction.**

During the course of our work, we have become aware of the tremendous personal and financial burdens experienced by families attempting to raise handicapped children in the absence of adequate public support. Locating and paying for suitable child care for their children is one of many problems that these families face. For most handicapped children, integration into mainstream child care programs is the preferred approach; for others, special segregated programs are needed.

**To ensure that the needs of these families are adequately met, we recommend that the federal government offer to cost-share, on the same variable basis, the full amount of any special costs associated with providing care for handicapped children, whether the care is provided in an integrated or segregated setting.** This initiative will ensure that parents of handicapped children are required to pay no more for child care than are parents with able-bodied children.

*Cost-Sharing Capital Costs*

To encourage rapid growth of child care services, funds must be made available to assist with construction and outfitting of new facilities and purchase of equipment. **We therefore recommend that the federal government offer to extend the variable cost-sharing arrangement to cover the full start-up costs associated with the opening of new facilities and expansion of existing ones.** During this period, therefore, the federal government would provide between 50 and 80 per cent of start-up costs, provided that the provincial or territorial government concerned contributes the remaining 20 to 50 per cent.

*Subsidies for Low-Income Families*

As long as user fees remain a feature of the system, it will be necessary to continue to provide special subsidies to assist low-income families. These subsidies should continue to be cost-shared by the federal government. However, despite the availability of 50-50 federal-provincial cost-sharing under the Canada Assistance Plan, there persists a critical shortage of subsidized child care spaces in Canada. Sufficient subsidized child care spaces existed in 1983, for example, to serve just 19 per cent of children under six years of age who qualified under the strict income and needs tests imposed by provincial and territorial governments.

We are deeply concerned about the well-being of children from low- and moderate-income families who do not have access to subsidized child care. **As a result, we recommend that the federal government use every means at its disposal to persuade provincial and territorial governments to make more subsidized child care spaces available within their boundaries.** The objective should be to improve coverage for the poorest families first (those that qualify under the strict provincial tests) before gradually raising income limits to the level of the federal likelihood of need guidelines. As we have indicated, to provide subsidized child care for the neediest group alone (children under six with employed parents whose incomes fall below the provincial cut-offs) would require a five-fold increase in subsidized child care spaces. **To this end, we recommend that the federal government announce immediately that it will lift the current restriction, which limits C.A.P. funding to centres operating on a non-profit basis in those provinces that use an income test to determine eligibility.**

**We further recommend that, once the medium-term cost-sharing agreements have been reached with all provinces and territories, the Canada Assistance Plan provisions applying to child care should be subsumed under legislation that governs the new**

**cost-shared financing.** Transferring these provisions from the Canada Assistance Plan Act will remove the welfare stigma currently attached to C.A.P. funding for child care, and will consolidate all financing directed towards child care under one piece of legislation. **We recommend that at this time, the variable cost-sharing formula begin to apply to child care subsidies based on income.**

### *The Child Care Expense Deduction*

As we contemplated development of a child care system to serve the needs of Canadian families today and in the future, we considered two questions about the Child Care Expense Deduction. The first was whether the deduction, or some other form of tax relief to parents, is the best way to assist families with their child care expenses and to encourage the development of a network of good child care services across the country. Second, having concluded that direct funding to the suppliers of services is the preferred approach, we had also to consider what role the Child Care Expense Deduction might have under a system of partial public funding.

In this section, we will set out our rationale for recommending that new funding be directed to service providers (a *supply-oriented* approach) rather than modifying existing measures, such as tax relief and subsidies for low-income families, which primarily affect the *demand* for child care. Finally, we will set out our recommendations concerning continued use of tax relief to parents in the new system.

We must, on the one hand, acknowledge that there are positive aspects to the Child Care Expense Deduction. Although traditionally considered to be a personal living expense (and therefore not deductible), the recognition of child care expenses as an appropriate deduction in the determination of income for tax purposes was a progressive step for the federal government to have taken in 1972. The deduction is popular among those who use it, and represents a rare example of federal fiscal policy favouring women, offsetting, to a certain extent, the negative, anachronistic effects of the married tax exemption, which favours male taxpayers with wives at home. It also balances, somewhat, the untaxed preference that the tax system gives to imputed family income contributed by non-earning spouses by way of non-market household services. It is relatively neutral in terms of compelling certain forms of child care, since it allows individuals to choose whatever kind of care they wish, while still remaining qualified for the deduction.

On the other hand, the Child Care Expense Deduction also has a number of negative attributes. First, like all deductions, it gives an upside-down benefit. The value of the deduction rises with income, giving greatest benefit to those least in need. Because, in a two-parent family, the lower-income spouse must claim the deduction, self-employed business people and farmers who experience a loss or a year of low-income lose all benefit from the deduction, as do all other families in which one spouse has earnings below the taxable threshold. Secondly, the deduction may be claimed, and therefore provides financial support, in the form of a refund, *after* the tax year, whereas assistance is needed on a month-to-month basis.

The deduction is, in theory, neutral in respect to types of care arrangements. However, because actual prices for good child care arrangements exceed maximum allowable limits by a considerable margin, in actual fact, parents who use higher-quality options (at correspondingly higher prices) are penalized. Most unlicensed child care is offered outside the market economy in a *grey* market in which caregivers both accept remuneration under the table without reporting it and do not provide tax receipts to parents. This perpetuates an inequity between those persons who are able to obtain receipts and tax relief, and those who are not. It results in a large number of Canadian women, who are in fact self-employed, not being included among the active population in labour statistics, not reporting their incomes for tax purposes, and not contributing to the Canada/Quebec pension plans.

Finally, the inherent complexity of a tax provision of this kind prevents the least knowledgeable and the least powerful from accessing its benefits. Many parents do not take advantage of the deduction simply because it is too great a hassle and too difficult to understand.

The advantages of the deduction have prompted some commentators, including some of the parents who wrote to the Task Force, to recommend that the tax system be used to deliver much larger benefits to families with child care expenses, either by allowing a deduction of all expenses incurred, or by replacing the deduction with a substantial tax credit.

Both approaches are problematic. Simply increasing the allowable deduction is not recommended because a *deduction* delivers most benefit to the highest-income claimants and least benefit to low- and moderate-income families, which are most in need of assistance. We saw in Chapter 8 that a couple with two children earning a combined income of $21 500 in 1984 received no benefit at all from the Child Care Expense Deduction, since the income of the lower-income spouse was below the taxable threshold.

Conversion of the Child Care Expense Deduction to a tax *credit* would greatly improve distribution of this benefit. However, the current level of federal spending on the deduction would produce a tax *credit* of just $160 per child.[5] A tax credit equal to, for example, 25 per cent of user fees for licensed child care would require a federal tax expenditure of as much as $1.8 billion annually. Providing this level of assistance through the tax system would clearly preclude other courses of action.

One prominent economist in the field advocates that deduction of full expenses become the primary child care financing measure in Canada on grounds of "economic efficiency."[6] Providing financial assistance to parents through a tax deduction is said to be more "efficient" than direct subsidies to service providers because, under a regime of direct subsidies, parents would be encouraged to shift their children from cheaper unlicensed care to more expensive licensed arrangements. This conclusion is based, however, upon two important assumptions: firstly, that the aim is to assist working parents rather than children, and secondly, that the care offered in informal and licensed care arrangements is of equivalent quality. Indeed, this author concluded that "if the child is significantly better off in day care, then the shift [from unlicensed to licensed child care] may be efficient."

As we have concluded earlier, while an individual child may be equally well off in the care of a neighbour or a licensed child care arrangement, on the whole, licensed arrangements offer superior care. This is particularly true of those programs that attract trained, experienced staff and reduce employee turnover by offering wage rates commensurate with the skills and training required in the job. Low staff turnover is an important factor in the quality of care from the child's point of view. Because overall program costs are highly sensitive to wage scales, good child care programs as have just been described are more costly to deliver than are mediocre licensed or unlicensed programs. Known as an "externality" to an economist, the healthy development of children, is, we believe, the crux of the matter. We must, therefore, conclude that policies that attempt to move children into quality child care arrangements that are licensed and monitored by the State, are not only in the best interests of children and their families, but are also economically efficient.

If we were of the view that the Child Care Expense Deduction represented an efficient use of government revenues that would, in the long run, aid in the development of the services that Canadian families need, we would have proposed that its current restrictive limits be removed in order to more fully allow itemized deductions of all child care costs incurred. Since they are truly costs of earning income, like other such costs, they should be fully allowed in computing that income. We also would have recommended consideration of a refundable tax credit of much enhanced amount, as well as amendments to remove the more obvious inequities.

**We recommend that new financing *not* take the form of tax relief, however, since it is our view that tax measures, in whatever form, cannot provide the basis for development of a child care system.** Families need assistance, not only with the cost of care for their children, but also with access to good services wherever they live in the country and at the times that these services are needed. Only direct financing to the service providers can cause the development of a child care system as comprehensive, accessible and competent as our health care and education systems to become a reality in Canada.

On the other hand, we recognize that it would be wrong and impractical to disband the Child Care Expense Deduction until such time as a fully publicly-funded child care service network is a reality in our country. Until the needed services develop, many parents will have no alternative but to continue using unlicensed child care arrangements. The Child Care Expense Deduction does provide minimal assistance to some of these families.[7] **In the short and medium term, therefore, we recommend that the Child Care Expense Deduction be continued, with present limits intact.**

Once the medium-term cost-sharing arrangement is in effect, however, the Child Care Expense Deduction will have much less significance in the overall picture. As we move gradually to a fully-funded child care system, consideration should be given to abolishing the deduction. However, we wish to make quite clear our view that current resources devoted to child care are so inadequate that no measure that assists families with their child care costs — no matter how flawed that measure might be — should be abandoned until fuller public financing for child care is in place, and access to quality licensed services is assured.

The practice by many unlicensed caregivers of receiving under-the-table payment for their services and not reporting their incomes, in our view, benefits neither the parents who use their services nor the caregivers themselves, who are not only acting in contravention of the Income Tax Act, but also lose accreditation for the work they do and access to the

Canada/Quebec pension plans. Given the low level of earnings of these self-employed workers, the requirement to file a financial statement with their income tax returns is an onerous one. Those who try to comply with the law are thwarted by Revenue Canada's imprecision concerning which expenses are claimable by a person operating a child care business from her home. **We therefore recommend that the Minister of Revenue issue guidelines clarifying the business expenses that may be claimed by self-employed caregivers and and publish the same in a booklet for family home child care providers, together with a specially designed balance sheet for use by them in completing their income-tax returns.** We note that Revenue Canada Taxation made a commitment to publish such a booklet in 1979, under the federal government's Plan of Action for the Status of Women, but that this commitment has not been met.

### Phase Three: Full Funding for Child Care

We believe that the measures proposed for the medium term will result in a rapid increase in the supply of child care services, reduced user fees and needed program improvements during the next 10 to 15 years. At the end of this period, there will inevitably be gaps in the services offered, and some uneveness in quality. Access, although greatly improved over the current situation, will, however, by no means be universal.

As long as user fees remain a feature of the child care system, and governments control the availability of subsidized care to low-income families, some children will never have access to the services they need. We believe that if parents are required to pay a user fee equal to one-half the cost of quality progams, no more than 75 per cent of parents in the core need group — that is, those who work or study at least 20 hours each week — can be expected to enroll their children in the programs offered. Take-up among these families is expected to be high, since most of them must pay for child care in any case, and studies have shown that they have a strong preference for licensed services. Among the remaining families — a group that includes families in which one parent works fewer than 20 hours in the week, as well as families in which one parent is a full-time homemaker — we would expect the take-up to be lower. Certainly, we would expect no more than 40 per cent of this group to use licensed services, as long as they are required to pay fees equal to half the program costs. Cost is a primary consideration for all families in this group, since their incomes are lower than those of families in which both parents work full-time, and some can avoid paying for child care services entirely.

These estimates represent the maximum take-up that we believe can be anticipated under a partial user-fee system. If the quality of services offered is questionable, if the supply of subsidized spaces remains inadequate, or if hours of operation and other design features of programs continue to limit access, take-up may be much lower than the predicted 75 and 40 per cent.

Of more concern is our realization that the very children most in need of quality child care programs will be among those least likely to have access to them. Programs will inevitably be slowest to develop in remote regions of the country and in disadvantaged neighbourhoods. Similarly, we can expect programs for children of shift workers, seasonal workers, and part-time workers to develop slowly, due to the administrative complexities involved. Good child care programs can alleviate the effects of poverty on children by providing, among other things, nutritious meals and instilling a positive lifelong attitude to learning. Many children who are abused or neglected can overcome the effects of this treatment if the support they need is available from another adult. Good child care programs can also play a role in the prevention of extreme cases of abuse, by providing relief to parents when needed as well as early detection and treatment. Only a child care system that provides virtually universal coverage will reach these groups of children.

In the absence of user fees, all children would have access to the services they need. The Task Force survey found that all mothers, regardless of employment status, recognized the importance of group activities to their children's development, particularly for the two-to-five age group. Virtual universal take-up of public kindergarten for five-year-olds in Canada and similar programs for three- and four-year-olds in western European countries, convinces us that, if public child care or nursery school programs were made available for three- and four-year-olds, take-up would be almost 100 per cent. Every family with an infant or school-aged child would have access to licensed programs, as needed. Employed parents would enjoy peace of mind knowing that their children are well cared for during working hours, and homemakers would have access to occasional care while they pursue much-needed outside activities.

While we acknowledge and affirm the role of parents in providing the care and training that their children need, we believe that access to good child care programs should be considered the right of every Canadian child. Acting on this principle will ensure that ultimately the needs of parents for reliable, affordable services, and of society for healthy well-adjusted citizens are also met.

Thus we believe that our long-term goal must be to eliminate user fees entirely from the child care system. **We therefore recommend that the federal government undertake to appoint a Task Force in the year 1996 to review progress in the development of the child care system, with a view at that time to extending public funding to cover the full cost of child care programs.**

## Incentives for Employers and Property Owners

Many parents who wrote to the Task Force expressed a preference that child care be made available at or near their workplace. Having their children nearby during working hours was of particular importance to parents with infants under two years of age. Another frequently cited need was for reliable drop-in care during evening hours, and while parents shop.

Employer initiatives can take many forms: donation of space or operating subsidies for a child care centre at the workplace, purchase of services for employees in a local child care program, or underwriting of child care referral services for employees. Child care programs can also be incorporated into the design of residential housing projects, office buildings, and shopping centres.

While we, by no means, expect employers and developers to assume primary responsibility for the development of a child care system for Canadian families, we do believe that they can play a role in the development of needed services. Moreover, we believe that many business people, recognizing the importance of good child care to both employee productivity and sound management of leasehold property, stand ready to contribute to a developing child care system, if appropriate incentives are provided.

**We therefore recommend that the Minister of Finance announce in his next Budget Speech that all capital costs of child care facilities incurred either by employers on behalf of employees, or by owners of revenue-producing property shall form a new and separate class of depreciable property under the Income Tax Act, with a capital cost allowance rate of 100 per cent. Furthermore, we recommend that recent amendments to the Income Tax Act, which restricted to 50 per cent the eligible capital costs of assets acquired in the year, be waived in the case of child care facilities, so that the full allowance may be taken as a deduction in the year in which the cost is incurred.** Through these measures we anticipate that the creation of child care facilities will be stimulated at the workplace, in residential housing projects and in commercial centres.

We note that neither the provision of a capital cost allowance rate of 100 per cent, nor an enriched capital cost allowance are new concepts in the federal income tax system. Capital cost allowances have frequently been employed to provide incentives to Canadians to invest, thereby creating jobs and economic health, and, indeed, to provide stimulus to particular endeavors that the Government of Canada has in the past deemed to be in the best interests of the country overall. We note, for example, that capital cost allowances of more than 100 per cent have been allowed for certain manufacturing and processing assets, and that even today, in an attempt to improve Canadian film-making, rates of 100 per cent are allowed for certified feature films and short productions. Accelerated and enriched rates of allowance have also been used in the past in the drive to induce business and investors to combat pollution and to foster other socially desirable activities. We believe child care to be *at least* as worthy as these other objectives, indeed, more so.

To further encourage the development of new workplace child care programs, special, favorable tax treatment should also be afforded employees who receive child care benefits from their employers. At the present time, it is at best unclear whether the provision by an employer of free or subsidized child care services constitutes a taxable benefit to employees. Such benefits are neither specifically included nor excluded in the legislation itself, and the administrative practice of Revenue Canada has not been fully articulated.

**We therefore recommend that the Minister of Revenue articulate, as soon as possible, the following guidelines for taxation of child care benefits to employees:**

> **that the provision by an employer of a child care benefit to employees (whether in the form of cash payments, facilities or services) should *not* be considered a taxable benefit so long as:**
>
> 1. **the services are provided in a licensed child care program; and**
> 2. **the benefit is available to all employees, of whatever rank, within the employer's organization, whether or not all such employees avail themselves of the benefit.**

These recommendations are made in the belief that non-taxable fringe benefits are highly desirable chips in the bargaining process between employees and employers. The likelihood is that, if the benefit is untaxed, the provision of child care services for employees will increasingly become a bargaining issue resulting in more and more child care services becoming available through the collective action of employers and employees. We see this result as a desirable part, although certainly not the central thrust, of the overall strategy recommended in this Report.

In making these recommendations, the members of the Task Force recognize that, in some ways, they represent deviations from ideal notions of tax equity and neutrality. Our proposals with regard to capital cost allowances will provide publicly-supported economic benefits to employers and property owners who perhaps ought to be providing enhanced child care facilities and services at their own cost. The value of non-taxable fringe benefits will be greater, in terms of dollars saved, to those of higher-income than to those in lower-income brackets. Child care fringe benefits will be treated more favourably than are other forms of fringe benefits. Both horizontal and vertical equity notions in the tax system are thereby offended.

There comes a point in time, however, when theoretical notions give way to pragmatic observation. So few Canadian children have access to good child care programs, that we believe every potential actor should be encouraged to become involved in the development of new services. Access to community-based child care programs will be limited by the vision and energy of local government officials and voluntary organizations. To the extent that employers and property owners step into these gaps, however uneven the distribution of benefits might be in the short run, we will be one step closer to our long-run objective.

Finally, we recognize that the current income tax system is riddled with preferences — usually for business — that also offend notions of equity and neutrality. The fact is that child care facilities and services, both permanent and drop-in, in the workplace and in residential and commercial developments, are needed now. One way to encourage this development is through use of tax incentives of the kind here recommended.

## The Federal Government as Employer

Under a pilot project initiated in 1981, a handful of child care centres have been established in federal government buildings for the children of government employees. In addition, a few child care centres have been established on Canadian military bases. Further expansion of this employer initiative was halted in 1984 until an evaluation of current programs is completed by Treasury Board.

We stated our belief, in the previous section, that employers have a role to play in the development of good child care programs for Canadian families. Many Canadian employers are beginning to recognize the impact of available child care programs — whether good or bad — on employee productivity. We believe that, as one of Canada's major employers, the federal government has an obligation to show leadership in the development of personnel policies that will enable employees to successfully combine family and work responsibilities.

**We, therefore, call upon the federal government to provide an example to other Canadian employers by announcing a policy of establishing child care centres in federal government buildings wherever numbers warrant.** The objective should be to establish programs in the 1986-87 fiscal year, in at least three locales in the city of Ottawa, as well as in each city where 500 or more public servants are employed. Priority should be given to programs providing care for infants under two years of age. **We recommend that new resources be provided to departments to fully equip these new centres.**

Access to the new employer-sponsored programs by the thousands of clerks, secretaries and operational employees in the public service will be restricted until the recommended cost-sharing arrangement comes into effect. We believe, therefore, that the federal government should give consideration to subsidizing the operating costs of these centres during the short and medium term. If the government were to underwrite, for example, 25 per cent of operating costs for its employees using these centres, this amount, added to the 15 per cent good faith grant in the initial, period would reduce user fees for government employees using the centres by a total of 40 per cent. This, we believe, would greatly improve access for all ranks of government employees. In the medium term, a 25 per cent employer share added to the 50 per cent public financing proposed for all licensed child care programs, would reduce user fees to 25 per cent of program costs for employees using these programs. In the long run, when all child care programs are fully-funded by government, the need for on-going employer subsidies will have been eliminated.

**We recommend, also, that Cabinet direct the Minister of National Defence to establish licensed child care programs on each Canadian armed forces base in Canada and abroad, and provide at least the same level of financing to these programs as is provided for other government employees.** In Chapter 2 we referred to a Canadian Armed Forces Administrative Order, which states that armed forces personnel who are also mothers or single parents may not refuse postings or other assignments on grounds of family responsibilities. While we have no quarrel with a rule that requires all armed forces personnel to be prepared for active service at all times, we do believe that in the interests of attracting the best possible candidates to serve in our armed forces, it is incumbent upon the government to develop policies and services that acknowledge the realities of daily life for armed forces personnel.

Because armed forces personnel frequently work rotating shifts and may be called away on active service, child care programs established by the Department of National Defence must have the capacity to care for children overnight and for extended periods of time, when the need arises. **We further recommend that when a member of the armed forces, who is also a single parent, is serving in a capacity that requires him or her to be separated from his or her children, the Department of National Defence underwrite the *full* cost of care for that member's children during the period of duty.**

## Related Activities

The Task Force recognizes that increased resources are needed for other important activities related to the delivery of quality child care, including research into child development and specialized training for staff. In the past, these have been neglected areas. We believe that mechanisms that currently exist within the federal government could be used effectively to provide more support to these important functions.

**We recommend that the Canada Employment and Immigration Commission be directed to give priority and increased resources to programs that provide specialized training for child care staff.** This would include training for those areas of child care delivery that require particular skills, such as care of infants or of disabled or special-needs children.

We have also become aware, in the course of our work, of the need to develop resources for research into issues related to child development and family policy in Canada. We are impressed with the excellent work and dedication of local social planning councils across the country. To supplement this work, more research should be undertaken by the Canadian academic community. **To this end, we recommend that the Secretary of State direct the Social Sciences and Humanities Research Council to accord top priority to research projects related to the needs of families with children in the 1990s. In addition, we recommend that the Secretary of State, in cooperation with the Minister of National Health and Welfare, fund the creation, in universities across the country, of special Chairs on child development and family policy. At least one of these Chairs should be established in each province.**

The Task Force also realizes that many innovative projects that have been funded by the federal government as pilot projects have been highly successful, but have terminated due to lack of funds. These projects include language and music enrichment programs; home care for families with sick children; the early identification and assessment of special problems of children in care; information and referral services; toy-lending libraries; mobile resource programs for rural areas; and support programs for parents at home full-time. We believe these to be extremely important activities that must be acknowledged as part of the mainstream child care system. We recognize that such services are not generally considered an inherent component of child care delivery, nor are they usually accepted in the definition of *operating costs* of a child care service. We firmly believe, however, that such activities are vitally important, and we suggest that conventional conceptions of services embraced in the term *child care* must be modified to incorporate activities such as these. **Therefore, we recommend that the federal government offer to cost-share with provincial and territorial governments the cost of such essential activities as parent resource services, toy-lending libraries, and child care information and referral services, as well as other specialized, innovative and experimental programs.**

**We recommend, also, that the Prime Minister appoint a Minister Responsible for Children.** Such an appointment would enhance the profile of issues related to the well-being of children, and provide the impetus for development of a new child care system. This Minister would serve as the focal point for children's issues in the federal government, and would work with the provinces and relevant organizations to improve the situation of children in Canada, including the development and maintenance of a system offering good care.

**We recommend that the role of the National Day Care Information Centre at Health and Welfare Canada be expanded to become a national reference centre on child care.** As such, it should be informed of the latest research and findings on child care and of new developments in the field. This technical information should be made generally available to provinces, organizations, immigrant and cultural communities, interested groups, and parents.

## CONCLUSIONS

In this chapter we have outlined our recommendations for the development of a child care system for Canada. We believe that the objective of federal action should be to create a national system of child care that is as comprehensive, accessible and competent as our health care and education systems.

We have set out our recommendations for public financing of child care in the short, medium and longer term. We have proposed that special incentives be offered to employers and property owners in the short and medium term to stimulate the development of new child care services, and that the federal government, in its role as a major Canadian employer, break new ground in provision of child care programs for its employees. Finally, to provide a profile for the new federal commitment to families with children, we have recommended that a Minister Responsible for Children be appointed, with responsibility for all programs relating to the needs of children and their families.

We believe that child care is the major social policy issue to be tackled and resolved in the 1980s. A swift resolution of this problem is needed if our future citizens are to be developed to their fullest potential and to contribute to the future development of Canada. We cannot afford to ignore the issue of child care; the future of Canada depends on it.

In the chapter that follows, we will set out our recommendations concerning parental leave. In the final chapter of our Report, we will provide estimates of the costs of our proposals, as well as describing the benefits that will accrue from the development of sound child care and parental leave systems for Canada.

Health and Welfare Canada, Public Affairs Directorate

# 14

# Towards a System of Parental Leave

## INTRODUCTION

ELSEWHERE IN THIS report, we have seen that working patterns in modern families have undergone enormous change, with dramatic increases in the labour force participation of mothers with young children. It is clear that the majority of women no longer drop out of the labour force when they bear a child, to remain at home until their children enter school. On the contrary, most women now take a brief period of maternity leave, and then return to employment.

In Canada, as in most industrialized countries, the two-earner family is now the dominant family type. Women now form a significant and indispensable segment of the labour force, and 4 out of 10 male and female workers are also parents.[1] As the labour force participation of women with young children continues to rise over the next decade, single parents and employed couples with children will comprise a larger and larger proportion of the prime age labour force. Despite these highly visible signals, Canadian employment and leave policies continue to reflect the misapprehension that workers — male and female — are not also parents.

The federal, provincial and territorial governments recognized the need to further develop parental leave policies when they authorized the government of Canada to become a signatory in 1981 to the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. The preamble to the Convention attests to the principle that "the role of women in procreation should not be a basis for discrimination but . . . the upbringing of children requires a sharing of responsibility between men and women and society as a whole." The Convention stipulates in Article 11.2 that countries shall "introduce maternity leave with pay or with comparable social benefits without loss of former employment, seniority or social allowances." By signing this Convention, Canada made a commitment to work towards this goal.

We are convinced that public measures must be designed to recognize the dual responsibilities of Canadian workers to their families and to their employers. The existing system of maternity leave is a step towards this objective. However, as presently structured, it sets up obstacles, which impede the full and equal participation of men and women, both in the work force and in family life. Other parental leave measures that would accommodate the ongoing responsibilities of parents to their children, have yet to be developed in Canada.

## COMPONENTS OF A PARENTAL LEAVE SYSTEM

In the preceding chapter, we outlined our recommendations for development of a system to provide care for children while parents work or engage in other activities. There are family responsibilities, however, for which parents must be present and in which they must take an active part. The first and most obvious of these is childbirth and care of a newborn infant. Current practice in Canada encourages fathers to be present at the births of their children, and to spend some time at home following the birth to assist the mother with her own recuperation and care of the newborn and other children in the family. Similarly, adopting parents need a period of time with a newly adopted child to establish the essential bonds that will integrate the child into the family.

Sometimes, also, parents decide, due to the special needs of their children or their own preference, that one parent should remain at home with their children for a period of months or years. All parents find that they must take time for such essential family responsibilities as meeting with teachers, attending school concerts and sports events, accompanying children to medical and dental appointments, caring for a sick child at home, or accompanying a child to the hospital.

In order to responsibly provide for these basic needs of their families and children, employed parents need to be guaranteed leave from work for these purposes. The well-being of Canadian families, children and workers depends upon our willingness to accommodate these needs. The principal objective of parental leave policies, therefore, is to make such reasonable accommodation for employees, that having children does not cost them a job, and conversely, that keeping their jobs does not require them to abandon essential family obligations.

Giving meaning to this commitment means that employed parents must be guaranteed of two things: (1) the right to be absent from work for these reasons, including a guarantee that the employer will take them back in the same or a comparable job after the leave; and (2) access to sufficient income replacement during the leave so that employees are able to take advantage of it.

The tests set out in the previous chapter, of comprehensiveness, accessibility and competence, also apply to parental leave measures. Leave and benefit programs should be designed to address the full range of needs of Canadian workers as parents. The programs should be available to all working parents, regardless of the conditions or location of their employment. Qualifying conditions and level of benefits should be such that employees can, realistically, take them up.

## THE FIRST STEPS TO A PARENTAL LEAVE SYSTEM

To guide us in the design of new parental leave policies for Canada, we studied the systems of leave and benefits in place in other countries, and how these are delivered. All European countries surveyed provide maternity leave to cover the period surrounding the birth of a child.

Duration of this leave varies, in the countries surveyed, from 6 to 47 weeks, with an average duration of 22 weeks. During this period, income replacement equal to between 80 and 100 per cent of the claimant's regular salary is provided. While a few countries provide maternity leave and benefits only to new mothers, most extend comparable benefits to adopting parents, and some allow both parents to share the leave between them.

Employees in most of the countries surveyed are also entitled to extend the initial maternity leave period. In 6 of the 11 European countries surveyed (Sweden, Austria, Hungary, Italy, Czechoslovakia and East Germany), new mothers may extend the initial maternity leave period by an additional period varying between six months and two-and-a-half years, during which they can collect at least a statutory benefit. In France an extended leave without pay is provided for up to two years following a 16-week paid maternity leave, and in Finland workers may take an additional six months without pay following the 47-week maternity leave with 80 per cent replacement income. Thus, in 8 of the 11 European countries surveyed, parents have a guarantee of re-employment following a period of maternity and child care leave that totals one to three years in length.

Six European countries surveyed (Sweden, Norway, West Germany, Czechoslovakia, Austria and Italy) provide an annual allotment of leave to enable parents to care for sick children at home. Some countries also provide additional advantages to parents, such as daily paid breaks for nursing mothers and additional holiday leave for parents with young children.

Benefits provided during these periods of leave are financed in a variety of ways. Benefits provided during birth or adoption leave are paid out of the social security programs in all countries surveyed, but financing of the plans themselves varies. In Finland, Italy, Hungary and East Germany, the social services fund is financed through employer and employee contributions, just as Unemployment Insurance maternity benefits are financed in Canada. In Austria and West Germany, the government also contributes to the fund. In Sweden and Czechoslovakia, only the government and employers contribute to the plan, and in Denmark the plan is entirely government-financed. In two countries — the United Kingdom and West Germany — employers are required to top-up the statutory benefit provided from the social services fund to 90 or 100 per cent of the employee's regular salary during maternity leave. Employers in the United Kingdom are reimbursed by the government for this payment, but employers in West Germany are not.

We were impressed with the comprehensiveness of the parental leave systems established in Western European countries and believe that Canada should strive to make similar accommodation for employees, to enable Canadian workers to successfully combine work and family responsibilities.

## Federal and Provincial Roles

The constitutional division of responsibility between Canada's federal and provincial governments has shaped existing arrangements for parental leave in Canada and will continue to do so in the future.

Some 650 000 Canadians work in enterprises that are regulated by the federal government (principally in the banking, transportation and communication industries). Hence, their employment rights and obligations are set down in the Canada Labour Code, which is a federal statute. The vast majority of Canadian workers, however, are employed in businesses that are regulated by the provincial and territorial governments.

Employment standards legislation in each province and territory sets out the minimum standards that apply to employment, including the length of leave that expectant mothers are entitled to take, whether or not fathers may share any portion of this leave, whether adopting parents have equivalent rights to leave, whether or not fringe benefits and seniority continue to accrue during the leave period, and whether re-employment is guaranteed.

In Canada, employment standards legislation simply requires employers to permit employees to be absent from work for a period of 17 or 18 weeks on the birth (and in some jurisdictions, adoption) of a child and to re-employ those employees in the same or comparable position after the leave is completed. The legislation does not require employers to pay employees during the leave.

Benefits during the maternity leave period are provided through the Unemployment Insurance program, which is administered by the federal government. Canada's Unemployment Insurance program is a contributory insurance plan. That is, it is financed principally by employee and employer contributions. When the program was established in 1940, legislation was required to compel all employees and employers to contribute to the plan so that coverage would be as broad as possible, and hence the risk of unemployment spread across all employees and employers. The federal government contributes to the Unemployment Insurance fund only to finance extended benefits in regions of high unemployment, and benefits to self-employed fishermen. Maternity benefits, which were added to the Unemployment Insurance program in 1971, are financed entirely by employee and employer contributions.

Section 91(2A) of the Constitution Act, 1867 gives the federal government the jurisdiction to create an Unemployment Insurance program for the country and to compel employees and employers to participate in it. However, it is important to keep in mind that the federal government acquired jurisdiction over Unemployment Insurance by way of a constitutional amendment in 1940,[2] after a decision by the Privy Council (then Canada's highest court) that it was beyond the jurisdiction of the federal government to implement the program, unless such a constitutional amendment was made.[3]

The other two types of leave — extended child care leave and an annual allotment of family responsibility leave — are virtually non-existent in Canada. The 650 000 employees working under the jurisdiction of the Canada Labour Code are entitled to take an additional 24 weeks of unpaid leave following the maternity period. A few other workers have acquired similar rights through collective bargaining. An even smaller number has access to annual paid leave to care for sick children or for other family reasons, but not one Canadian jurisdiction provides a statutory guarantee of family responsibility leave.

The constitutional division of responsibility between the federal and provincial governments, while by no means an insuperable barrier to the development of sound parental leave programs in Canada, will continue to shape new parental leave programs in the future, as it has done in the past. While there are several theoretical approaches that might be taken to parental leave and benefits, Canada's constitutional arrangements serve to limit the range of practical options available.

### Guaranteeing Leave

There are two general approaches that a government can take to ensure that employees are granted parental leave.

The first, and most effective method, is to enact a statute compelling employers to grant the leave and to re-employ the person following the leave. The federal government has the power to impose employment standards only on the narrow range of employers that fall under federal jurisdiction — those in the banking, transportation and communications industries. More than 80 per cent of Canada's employers and employees work under employment standards legislation passed by provincial and territorial governments. Thus, inevitably, minimum standards for parental leave vary in Canada from one part of the country to another. Employment standards legislation in one jurisdiction — the Northwest Territories — does not yet contain a minimum guarantee of parental leave.

Rather than compelling employers to extend leave to their employees, the federal government, through use of its spending power, could make it so attractive to Canadian employers that they willingly extend parental leave, with benefits, to their employees. Provincial and territorial governments could also use this approach. Since employee salaries and benefits are already deductible by employers in the calculation of business profits for income tax purposes, clearly a very powerful incentive would be required to induce employers to extend leave and/or benefits through this approach. Voluntary compliance by employers might be achieved, for example, by an offer of the federal government to fully reimburse employers for salary and benefits paid during a period of parental leave, through a tax credit or cash payment.

### Providing Benefits

There are, similarly, three general approaches that could be taken to provide benefits during periods of parental leave.

(1) Employers could be compelled, through employment standards legislation, to pay employees during the leave. In the case of birth or adoption leave, they could be required to top-up the benefits provided under the Unemployment Insurance program, as employers in West Germany are required to do.

Only the provincial and territorial governments have the power to impose such an employment standard on the majority of Canadian employers. The federal government, by amending the Canada Labour Code, could impose this standard only on employers that fall under federal jurisdiction.

Through use of its spending power, the federal government might persuade employers to pay employees during periods of parental leave, by promising to fully reimburse employers for these payments, as the United Kingdom does.

(2) Benefits provided during periods of parental leave could be offered as a social program, financed through general tax revenues. The Danish social security system, which provides a

28-week maternity leave with 90 per cent replacement income, is financed in this way. Both the provincial/territorial and federal governments have the constitutional capacity to undertake such a program.

Employed parents would still require a guarantee of re-employment and continuing fringe benefits, which would have to be provided under provincial and federal employment standards legislation.

(3) Benefits could be provided out of a contributory fund. Currently, maternity benefits are provided in this way in Canada through the vehicle of the Unemployment Insurance fund, as they are in 8 of the 11 European countries surveyed.

The federal government acquired the power to establish this fund, however, following a constitutional amendment in 1940. Birth and adoption benefits can continue to be paid through the Unemployment Insurance fund, but a separate contributory fund established by the federal government would not likely be upheld if challenged on constitutional grounds.

Provincial or territorial governments also have the power to establish their own separate parental benefits funds, to require employers and employees to contribute to them, and to set conditions on payment of benefits.

## Scope for Federal Action on Parental Leave and Benefits

Thus, we find that the federal government cannot compel the majority of Canadian employers to provide either leave or benefits to their employees. This is the domain of provincial and territorial governments. If, however, the federal government chooses to finance parental benefits entirely from general government revenues, it could conceivably succeed in persuading employers to grant employees both leave and benefits for parental reasons. If the federal government considers it more appropriate to finance parental benefits, in whole or in part, through contributions by private sector employers and employees, then, unless a constitutional amendment is contemplated, parental benefits will have to continue to be offered, as maternity benefits now are, through the Unemployment Insurance program.

In the remaining sections of this chapter, we will set out our recommendations to the federal government for action on parental leave. In making these recommendations, we recognize that many of the limitations on access to maternity leave and benefits result from restrictions and omissions in provincial and territorial legislation. The development of a comprehensive system of parental leave and benefits that is accessible to all Canadian workers will require the continuing cooperation of federal, provincial and territorial governments. Coordinating the conditions applying to leave and benefits will continue to pose problems, as in the past. However, we believe that the development of sound parental leave policies is of such significance to the healthy development of Canadian families, the productivity of Canadian workers, and hence the economy, that federal involvement in the provision of parental benefits must continue, and indeed, be enhanced.

The three essential types of parental leave are addressed separately: (1) birth or adoption leave; (2) extended child care leave; and (3) family responsibility leave. In the final section of this chapter, we will make recommendations to the federal government with respect to its role as a major Canadian employer.

## BIRTH OR ADOPTION LEAVE

In Chapter 2 we identified a number of inequities, limitations and exclusions in the operation of current provisions for leave and benefits on the birth or adoption of a child. In the discussion that follows, we will deal with each of these in turn, setting out our recommendations for reform of this component of a parental leave system.

### Providing Leave and Benefits

After careful study, we have concluded that the most feasible means by which to implement our proposals for birth or adoption leave and benefits is through an extension of existing arrangements. We propose, therefore, that birth and adoption benefits continue to be provided under the Unemployment Insurance Act, and leave from work be guaranteed under federal, provincial and territorial employment standards legislation.

A legislated standard providing leave from work for the birth or adoption of a child is the only feasible way to ensure that employees have access to this leave and can make use of the benefits provided under the Unemployment Insurance program. We saw in Chapter Two that many Canadian workers are denied the protection of a statutory guarantee of maternity leave. Residents of the Northwest Territories, and, in most jurisdictions, adopting parents, farm labourers, domestic workers, students on work programs and workers who have changed jobs within the last year are not entitled to take maternity leave. Access to leave by these workers can be assured only if amendments to the legislation are enacted by the provincial and territorial governments concerned.

All workers under federal jurisdiction are eligible for the leave provided under the Canada Labour Code, if they have been employed with the same employer for at least six months. **We recommend that the Canada Labour Code be amended to reduce the qualifying period for leave to 20 weeks, to bring it into compliance with the qualifying period for benefits under the Unemployment Insurance program.**

**We recommend that birth and adoption benefits continue to be provided through the vehicle of the Unemployment Insurance program.** We make this recommendation for three compelling reasons. Firstly, we consider it appropriate that benefits provided during the initial birth or adoption leave period be financed through a publicly-administered insurance plan. Relying on individual employers to provide parental benefits, on an obligatory or optional basis, provides a strong incentive against hiring young women since, of course, it is this group that will continue to take the largest share of parental leave. A public plan spreads costs more equitably over all employers and employees and provides more predictable payroll costs than if an individual employer is required to pay all or part of the salary of an employee on parental leave.

Secondly, we consider it appropriate that these benefits be financed through employer-employee contributions. This ensures that the beneficiaries of the program — employees who become parents, and their employers — finance the cost of the program. Birth or adoption benefits are intended to protect employees against loss of income during a period when they must be absent from work. Providing the benefits helps to ensure that new parents will take a period of leave that is consistent with their own good health and that of their families, and return to employment with their productive capacity intact. Since these benefits, by their very nature, provide employees with insurance against income loss, it is entirely appropriate that they be financed in a contributory plan, rather than as a social program financed out of general revenues.

Thirdly, the constitutional basis for Unemployment Insurance as a federal program is firmly established, and the administrative machinery is in place. A separate contributory plan for parental benefits would not only lack constitutional foundation, but would also require the establishment of a separate bureaucracy to collect premiums and pay out benefits, a duplication of effort by both the federal government and employers, which we find unnecessary and counter-productive. Also, the current arrangement has gained wide public acceptance as the vehicle to deliver maternity benefits. A 1980 Goldfarb survey found that only 11 per cent of respondents believed that maternity benefits should not be paid through the Unemployment Insurance program.[4]

The federal government has come under considerable pressure from the business lobby, in recent years, to finance a portion of maternity benefits from general government revenues. While we recognize that this could be accomplished relatively simply within the context of the Unemployment Insurance program — by the federal government providing, for example, a fixed percentage of total program costs and private sector premiums being reduced accordingly — we can find no justification for such a change at this time. **We therefore recommend that the proposed birth and adoption benefits be financed entirely from the employer-employee account, as maternity benefits are today.**

## Duration of Leave and Benefit Level

In Chapter 2 we stated our conclusion that current provisions are too limited, in both duration and level of benefits. The present provision for 17 weeks of leave, with 15 weeks of benefits, does not provide adequate time for the process of bonding with a newborn or newly adopted child. The six-month (26 weeks) leave period chosen by adoption agencies as the ideal minimum period necessary for bonding of a new child with a parent was adopted by the Task Force as a goal.

The current benefit rate of 60 per cent of maximum earnings also imposes a serious financial penalty on parents who take maternity leave. The low income replacement provided during maternity leave continues to place new parents in the position of choosing between their own good health on the one hand, and income security on the other. As a result, many Canadian parents who are eligible to collect Unemployment Insurance benefits neither take the leave they require, nor collect the benefits to which they are entitled.

**The Task Force therefore recommends that the duration and level of birth and adoption benefits be increased, in two steps, as follows:**

- **within 5 years, a benefit increase to 75% of maximum insurable earnings, and an extension of paid leave to 20 weeks;**
- **within 10 years, an increase in the benefit rate to 95% of maximum insurable earnings, extending the duration of paid leave to 26 weeks.**

**We recommend that the leave commence as it now does, up to eight weeks before the birth, and be taken within the year following the event, with some flexibility allowed for the timing of the leave, upon negotiation with individual employers.**

**In recognition of the support required by the mother and other family members at the time of birth, we further recommend provision of an additional five days' paid leave for the father during the period between the birth and the week after mother and child have returned from the hospital, at the same benefit rate.**

We recognize that under this proposal, those eligible for parental benefits will receive a higher level of benefits than those eligible for unemployment benefits. We believe that the difference in treatment can be defended on two grounds. Firstly, those who receive Unemployment Insurance benefits are permitted to earn additional income, whereas those who take parental leave cannot. Secondly, and most important, the income penalty imposed on regular Unemployment Insurance claimants is intended to serve as an incentive to find work as soon as possible, and thus collect the fewest possible weeks of benefits. Parental benefits, on the other hand, are provided to ensure that newborn and newly adopted children form essential bonds with their parents and that new mothers recover fully from childbirth before returning to work. Neither process can be hurried by the imposition of an economic penalty. These benefits should therefore be structured in such a way that parents are encouraged to take the full period of leave offered.

Amendments to employment standards legislation will be required in all provinces and both territories in order to ensure that employees working under provincial jurisdiction have access to the longer duration of benefits offered under the Unemployment Insurance program. **We recommend that Section 59.2(a) of the *Canada Labour Code* be amended to permit either parent to take 26 weeks of leave on the birth or adoption of a child, or for the two parents to share the leave between them.**

We urge the federal government not to wait for the provincial and territorial governments to amend their legislation, but to proceed, as it did in 1971, by amending the Unemployment Insurance Act to extend the maternity benefit period and raise the income replacement level, in the hope that provincial and territorial governments will make the necessary amendments to their legislation to give employees within their boundaries full access to the benefits offered.

## Coverage for Fathers

At present, maternity benefits are not available to natural fathers, although, since 1984, adoptive parents, including fathers, have had access to maternity benefits under the Unemployment Insurance program. There appears to be no logical reason to continue to exclude natural fathers from these benefits. **We therefore recommend that birth and**

**adoption benefits be made available to either parent, in recognition of the equal partnership of parents in meeting family responsibilities. We recommend that leave and benefits be shareable between the parents, who should be permitted to use them either concurrently or consecutively as long as the total does not exceed the 20/26 weeks set out above.**

We note that these recommendations are consistent with the recommendations of the Parliamentary Committee on Equality Rights, contained in its report, *Equality for All*, released in October 1985. The Committee, which was mandated by Parliament to recommend amendments to bring federal statutes in line with the right to equal protection and benefit of the law contained in Section 15 of the Charter of Rights and Freedoms, made the following remarks on the extension of maternity benefits to fathers:

> *Several organizations recommended to the Committee that, to accommodate the guarantee of equal protection and benefit of the law, the law should provide a two-tier system of benefits surrounding childbirth to recognize the physical needs of the mother who has just given birth and to recognize the period of adjustment required by the parents and the new child. The Canadian Human Rights Commission. . . recommended that the Unemployment Insurance Act be amended to ensure that the portion of maternity leave relating to social adjustment or infant care be available to either parent.*
>
> *We agree with this recommendation. The law should recognize the father's role in child care and enable him to take part in this important period of bonding with the newborn child. There is no doubt in our minds that the traditional emphasis on the mother as the primary caregiver has played a part in holding women back from full participation in society. Encouraging the participation of fathers at the earliest stage of a child's life can have only positive results for both men and women.*
>
> *It is important however, that a mother have sufficient time set aside during the late part of her pregnancy and the period following birth to recover and to nurse her child for a time, if she wishes. It is our view that the law should provide benefits during the childbirth period, but that either parent should be eligible for benefits during the subsequent parenting phase. We see these two distinct periods as having distinct rationales.*[5]

The Committee went on to recommend that the Unemployment Insurance Act be amended to provide a two-tier system of benefits relating to childbirth: the first tier (maternity benefits) to be available only to women, during late pregnancy and the period following birth; and the second tier (parental benefits) to be available to either or both parents during the period following maternity leave. The Committee concluded that the existing 15-week benefit period does not provide enough time to accommodate both functions. To provide equal treatment for adopting and natural parents, the Committee recommended that the current 15 weeks of benefits be made available to either parent for child care and social adjustment, and an additional period of unspecified length be added to cover women recuperating from childbirth.[6]

We also considered the notion of a two-tiered system of birth and adoption benefits, but were unable to come to a consensus on this point. Some members of the Task Force believed, as did the Parliamentary Committee on Equality Rights, that a period of leave should be reserved to cover a mother's physical recuperation following childbirth. Others, recognizing differences that exist among individual mothers, their job requirements and family arrangements, took the view that couples should be permitted maximum freedom to allocate the benefit period between them in the manner that best suits their own circumstances.

We do believe, however, that the 26-week leave and benefit period that we have recommended is adequate to serve both functions identified by the Parliamentary Committee on Equality Rights. It is our view that, in the interests of permitting the full and equal participation of men and women in both public and family life, new parents should be permitted to share between them most of this period, if not all of it, in whatever manner best suits their personal circumstances.

## The Two-Week Waiting Period

Maternity benefits claimants, like all other Unemployment Insurance recipients, must endure two weeks without benefits as their leave commences. The two-week waiting period serves as an incentive to unemployed workers to find new employment immediately and thus, not to collect Unemployment Insurance benefits. Since those claiming parental benefits are not seeking new employment, the waiting period becomes purely a punitive measure for these claimants.

Because the maternity benefit period is also relatively short, the two-week waiting period has a very significant impact on maternity benefits claimants. It has the effect, as we saw in Chapter 2, of reducing the claimant's income replacement to just 53 per cent of her regular earnings during the 17-week period. If a claimant takes a shorter leave or has regular earnings that exceed Insurable Earnings, the replacement level is even lower.

We must conclude that the two-week waiting period serves no useful purpose in relation to claims for birth and adoption benefits and, indeed, has the detrimental effect of inducing some new parents not to take the leave they require or collect the benefits to which they are entitled. **We therefore recommend that the Unemployment Insurance Act be amended to delete application of the two-week waiting period to claims for birth or adoption benefits.**

## Coverage for Self-Employed Workers

Currently, self-employed Canadians and their spouses working in the same small business, are excluded from the Unemployment Insurance program and therefore are not entitled to collect maternity benefits. This rule excludes some 1 480 000 economically active Canadians (13 per cent of the employed population) from access to the only available public parental benefits scheme in the country.[7] While there is good reason to exclude the self-employed from unemployment insurance per se because they, to a large degree, control whether or not they, and their spouses, become unemployed, there is no such justification for excluding them from parental benefits. New parents who are self-employed have as much need to take leave for the birth or adoption of a child, with income protection, as do employees. **We recommend that parental benefits coverage under the Unemployment Insurance Act be extended to self-employed persons so that they may avail themselves of the benefits provided under the program.**

While some self-employed persons, particularly men and older women, may object to contributing for parental benefits for which they are unlikely to become eligible, it would be possible to associate this program with sickness insurance and to establish a lower rate of contribution for the self-employed that would cover parental and sickness benefits but not regular unemployment insurance. We believe that most self-employed persons will view this as a positive step.

## Coverage for Part-Time Workers

Part-time workers who work less than 15 hours per week or earn less than 20 per cent of maximum insurable earnings ($92 per week in 1985) are also excluded from maternity benefits coverage under the Unemployment Insurance Act. Some 40 per cent of part-time workers or 675 600 employed Canadians are affected by this rule.[8]

The Parliamentary Committee on Equality Rights addressed this issue in its report *Equality for All*. The Committee recommended that the requirement that an employee work 15 hours per week to participate in the Unemployment Insurance program be reduced to no more than 8 hours per week.[9]

We endorse the reasoning of the Committee on Equality Rights and the Wallace Commission on Part-Time Employment, which preceded it, that part-time workers should be entitled to the same hourly rates of pay as are full-time employees and to benefits on a pro rata basis. Many parents interviewed in the Task Force survey stated a preference for part-time employment, but fewer actually worked part-time. Part-time employment will become a viable option for these parents only when this issue of equitable compensation has been resolved.

We also agree with the Parliamentary Committee that, although the 15-hour-per-week limit is too high, for the sake of administrative simplicity some hourly limit seems appropriate. The minimum earnings limit, however, in our view should be dropped altogether, since it has the effect of disentitling those part-time workers who earn the lowest hourly rates of pay. Without commenting on the entitlement of part-time workers to regular Unemployment Insurance benefits, which is not within our mandate, it does seem clear that part-time employees have as much need as do full-time employees for leave and income replacement during that leave when they give birth or adopt a child. **We recommend that parental benefits coverage under the Unemployment Insurance Act be extended to part-time employees who work at least eight hours per week.**

## The Surtax on Higher-Income Claimants

Under a provision introduced in 1979, employees whose net annual income, including Unemployment Insurance maternity benefits and supplements, is more than one-and-one-half times maximum insurable earnings, are required to repay up to 30 per cent of Unemployment

Insurance benefits received. Thus, higher-income individuals, who are required by law to contribute to the plan, not only have a smaller proportion of their earnings insured than do other workers, but also receive smaller benefits than do other claimants insured at the same rate. **We object in principle to this provision, since it undermines the insurance function of unemployment benefits, and we recommend that it be eliminated from the Act.**

### Entrance Requirement

The Unemployment Insurance Act requires that those claiming maternity benefits have 20 weeks of insured employment in the 52-week period prior to the leave, whereas those claiming regular unemployment benefits qualify with just 10 to 14 weeks' employment, depending on the region in which they live. Both the Task Force on Unemployment Insurance, in 1981, and the Parliamentary Committee on Equality Rights, in 1985, recommended that the same entrance requirement apply to maternity benefits as to regular Unemployment Insurance benefits.

We agree that no justification can be made for requiring a longer labour force attachment by parental benefits claimants than by claimants of regular Unemployment Insurance benefits. **As a first step toward this goal, we recommend that proportionate benefits be extended to claimants with at least 10 weeks' employment.**

## EXTENDED CHILD CARE LEAVE

In the previous section, we recommended that new parents have access to leave, with 90 per cent income replacement for a period of 26 weeks on the birth or adoption of a child. This leave is intended to give mothers time to recuperate from childbirth, and parents time to nurture and establish bonds with a new child.

Some parents find, however, that the initial birth or adoption leave period is insufficient for their needs and those of their children. They conclude that their family's best interests would be served if one of them left his or her employment for a longer period of time to care for their children at home. Unless these employees are entitled to take leave for this purpose, they lose not only income during the period, but also all seniority rights, accrued benefits, and any assurance of re-employment following the leave. Recognizing the significance of continuing labour force attachment by both parents to the long-term economic stability of the family, many parents in these circumstances hesitate to leave their jobs to care for small children, even when it seems appropriate that they do so.

Many European countries permit parents to claim an additional period of leave following the initial maternity leave period. While the duration of this leave varies, in 8 of the 11 European countries surveyed, parents are entitled to take up to one to three years in maternity and extended child care leave. In 6 countries, a statutory benefit is provided during the extended child care leave.

Parents employed under federal jurisdiction in Canada are currently entitled to extend the maternity leave period by an additional 24 weeks, to a total of 41 weeks. In other jurisdictions, parents who take a leave of more than the 17 or 18 weeks prescribed by law are not entitled to return to their jobs following the leave. They lose all rights to seniority and accrued benefits.

We believe that parents should be free to choose to care for their children for a longer period without loss of employment status. **We therefore recommend that the Canada Labour Code be amended to provide that employees may extend their parental leave to up to one year to care for young children.** Income replacement equal to 90 per cent of salary would be provided during the 26-week birth or adoption leave. The remaining 26 weeks would be taken without pay.

Employees should be permitted some flexibility in the timing and use of this leave. The Swedish model, which permits parents to share the second six months of child care leave between them and claim it in the form of shorter working hours, or full- or half-day segments at any time prior to a child's eighth birthday, provides an example of flexibility for which we should strive in Canada.

We considered the issue of whether benefits should be provided during this period, but are not prepared to recommend this course of action at this time. While we consider the current level of child benefits to be inadequate, an issue that we dealt with in Chapter 8 of this report, we believe that the first priority of governments on behalf of families, at this time, should be to provide children with access to the services they need, and today's parents with the means to adequately fulfil their family obligations. A minimum standard that permits parents to remain at home with their children for up to one year without loss of employment status is, in our view, an important step in this direction. Access to this leave will, of course, not become a reality for the great majority of Canadian workers unless provincial and territorial governments enact a similar standard in their legislation.

## LEAVE FOR FAMILY RESPONSIBILITIES

The above provisions concentrate on improvements designed to assist workers to maintain their attachment to the labour force around the time of the birth or adoption of a child, and following an extended period of child care leave.

The responsibilities of child-rearing, however, impose continuous demands on working parents. It is a fact of life, for instance, that children get sick, requiring parents to stay at home with them from time to time. Periodic appointments with the dentist, the doctor, or specialists also arise. In addition, parents are expected to meet with teachers on a regular basis to monitor their children's progress in school. Informal child care arrangements break down when the caregiver becomes ill, has a family emergency or takes a vacation. New child care arrangements must be located, assessed and monitored with distressing frequency, according to the letters we received from parents. Visits to new child care settings can normally be undertaken only during the parent's usual working hours. The pressing need of parents for an annual allotment of leave from work to attend to these family responsibilities was one of the greatest concerns raised in letters from parents to the Task Force. It is imperative that Canadian labour legislation begin to adapt to these basic needs of Canadian workers as parents.

**We recommend that a minimum standard of five days' annual paid leave for family-related responsibilities be incorporated into the Canadian Labour Code.** We recognize, again, that coverage for the great majority of Canadian workers will require similar amendments to provincial employment standards legislation, but we propose that the federal government take the lead by initiating such a policy for employees under federal jurisdiction.

The needs of parents with handicapped children for this type of parental leave is particularly acute. They are often required to attend a multitude of medical appointments and assessments, consultations, screenings and therapy sessions, which usually occur during normal working hours. Many parents who wrote to the Task Force also described the great difficulties they faced in finding suitable child care for their children, adding another time-consuming task to already over-burdened lives.

We considered a recommendation that a minimum standard of 10 days' paid family responsibility leave be extended to parents with handicapped children, or twice the number applicable to other parents. However, we are not certain that such a measure would adequately address this need. **We therefore recommend to the Parliamentary Committee on Child Care that it solicit input from groups representing the handicapped and parents of handicapped children as to how the needs of families with handicapped children can be adequately addressed within the context of a developing parental leave system.**

## THE FEDERAL GOVERNMENT AS EMPLOYER

We believe that it is incumbent on the federal government to act as a model for other employers in the provision of parental leave and benefits. As described in Chapter 2, the federal government has already made progress in the area of parental leave. However, such leave and benefits as are provided are not yet available to all public servants, nor is there any indication that the inequities among occupational groups are being addressed. It is the view of the Task Force that the establishment of a service-wide policy of parental leave is fundamental to the sound management of the public service, and that the changes necessary to achieve this goal should be made immediately.

### Service-Wide Birth/Adoption Leave Policy

**We therefore call upon the President of the Treasury Board to extend to all public servants, including members of the Armed Forces and groups unrepresented in the collective bargaining process, the same birth or adoption leave and benefits now provided to half of the employees of the government.**

Exclusion of fathers and adopting parents from the right to leave on the birth or adoption of a child in some categories of employment, and to benefits in all occupational groups, is also, in our view, inequitable. **We, therefore, recommend that fathers and adopting parents become eligible for the post-natal leave and benefits provided to natural mothers in the Public Service.**

All federal public servants would therefore become eligible for the following leave on the birth or adoption of a child:

(1) for pregnant women:
  (a) a guaranteed leave of 37 weeks, up to 11 weeks before the birth and 26 weeks after;
  (b) income replacement for 17 weeks at 93% of salary;
  (c) once the duration of benefits under the Unemployment Insurance program is extended to 26 weeks, an extension of the period of fully-paid leave provided to government employees; and
(2) for adopting parents and natural fathers:
  (a) 26 weeks of leave (equivalent to the post-natal period allowed natural mothers), with income replacement at 93% of salary for 17 weeks;
  (b) extension of benefits on the same terms as natural mothers.

**In recognition of the shared responsibility of parents for child rearing, we recommend that, when both parents are public servants, they be permitted to share the leave period between them.**

## Extended Child Care Leave Policy

Child care and nurture leave provides public servants with the option to leave their employment for up to five years in order to care for a young child. The employee receives priority in staffing for equivalent jobs at the end of the leave. **We recommend that the five-year child care and nurture leave be extended to all public servants.** No limitations should be placed on the minimum leave that can be taken at one time. This leave should be available to parents of children under 12 years of age, if it can be demonstrated that the leave will be used to care for the child.

## Leave for Family Responsibilities

Paid leave for family-related responsibilities is currently provided for five days per year to public servants in some occupational groups. **We recommend that the federal government extend a minimum of five days per year of family responsibility leave to all public servants.**

## Parental Leave Policies in the Armed Forces

Family-related leave and benefits provisions in the Armed Forces have lagged behind provisions for other public service employees. The lack of parental leave has constituted an effective barrier to women wishing to establish careers in the Armed Forces.

**We therefore recommend that paid leave for the birth or adoption of a child be granted to Armed Forces personnel on the same terms as to other public servants.** That is, members of the Armed Forces should be entitled to take 37 weeks of leave with 93 per cent income replacement for 17 weeks (rising to 20 and 26 weeks once the Unemployment Insurance Act is amended). When both parents are members of the Armed Forces, or when one is in the Armed Forces and the other a public servant, they should be entitled to share the leave between them. **We recommend, also, that the provision for care and**

**nurture leave now applying to most public servants be extended to servicewomen and servicemen, as well as the provision for five days' annual leave for family-related responsibilities.** With the establishment of policies that allow women to combine motherhood with a career in the Armed Forces, it should no longer be necessary to counsel them on the consequences of continuing to serve in the Armed Forces should they have a child.

## CONCLUSIONS

The leave and benefits provided to working parents constitute powerful policy instruments in achieving social goals in relation to women's employment and men's participation in family responsibilities. Parental leave policies in this country have failed to keep pace with sociological and economic changes that have taken place in our society. Current provisions prevent women from participating fully in the work force, and men from participating fully in family life.

The Task Force has proposed a new system of parental leave, which eliminates existing inequities, enriches and expands current leave and benefit programs, and extends benefits to fathers as well as to mothers. We believe that an improved system is essential to assist working parents with their dual responsibilities and with frequently conflicting demands in their lives.

Health and Welfare Canada, Public Affairs Directorate

# 15

# Can We Afford a System of Child Care and Parental Leave?

## INTRODUCTION

IN THE TWO preceding chapters, we outlined the steps necessary to develop systems of child care and parental leave in Canada. We believe that the development of child care and parental leave systems as comprehensive, accessible and competent as our education and health care systems is not only highly desirable, but also inevitable.

Can Canada afford the initiatives outlined in Chapters 13 and 14? In this chapter we will provide, first, our estimates of the cost of the proposed measures, followed by an examination of the social and economic benefits that can be anticipated from implementing the recommended systems. Finally, we will conclude with some observations and recommendations concerning financing the proposed systems.

## COSTING THE TASK FORCE RECOMMENDATIONS

Forecasting the cost of our recommendations for the short term is a relatively simple matter, since these estimates are based on current experience. However, costing our recommendations for the medium and longer term is a different matter. Projecting, decades into the future, the cost of systems that do not yet exist, is problematic because of the number of assumptions required. Among other things, program costs are affected by: the total number of children in Canada in future years; growth in the number of children in the "core need" group whose parents work or study 20 or more hours each week; the amount of care required by children not in this group; take-up of parental benefits and of licensed child care services under a partial user-fee system; cost per space of providing child care (affected principally by caregivers' wage scales and child:staff ratios); and rate of growth of the child care system. Two of these variables — the birth rate and employment rate of mothers with young children — have proved particularly unpredictable in the recent past.

Because fertility rates are influenced by a multitude of factors, including economic as well as sociological phenomena, predicting future trends in fertility is very difficult. Although some theorists predict another baby-boom in the near future, Statistics Canada, in two recent publications, concludes that fertility rates will remain at or near the current low level of 1.7 children per woman.[1] In a 1985 publication, Statistics Canada presented three projections of population growth, based on three separate assumptions concerning fertility rates in 1996: (1) a low rate of 1.4 children per woman; (2) a high rate of 2.2; and (3) a constant rate of 1.7.[2]

The increase in labour force participation by married women with children in the past two decades greatly exceeded all predictions.[3] In 1976, for example, the Economic Council of Canada predicted that female participation rates would rise less rapidly in the late 1970s and early 1980s than in the previous 15 years "partly because many of the women who want to work are now in the labour force."[4] Not only has this not occured, but the rise in labour force participation by married women with young children has been particularly rapid. By 1984, 52 per cent of mothers with children under three years of age were in the labour force, compared to just 32 per cent in 1976, (an increase of 20 percentage points in just eight years). Similarly, the participation rate of mothers whose youngest child was between three and five years of age rose to 57 per cent in 1984 from 41 per cent in 1976 (an increase of 16 percentage points). The participation rate for mothers whose youngest child was 6 to 15 rose less rapidly over the period. By 1984, 64 per cent of these mothers were in the labour force, compared to 50 per cent in 1976 (an increase of 14 percentage points). By way of contrast, the participation rate in 1984 was 73 per cent for childless women aged 15 to 54, but just 20 per cent for women over 55 who did not have children under 16.

The extent to which, over time, the employment patterns of mothers will come to resemble those of childless women, is not known. If the labour force activity of all mothers continues to rise over the next decade, as rapidly as that of mothers with children aged 6 to 15 over the period 1976 to 1984 (that is, by 1.75 percentage points per year), by 1996, 73 per cent of mothers with a child under 3 years of age will be in the labour force, together with 78 per cent of women whose youngest child is 3 to 5 years of age, and 85 per cent of women whose youngest child is aged 6 to 15. While not all these mothers will require full-time child care for their children, we can expect the proportion of children whose parents work or study at least 20 hours per week will rise significantly over this period.

Estimates of the cost of our proposals, in the short, medium and longer term are set out in the following section.

## Costs in the Short Term

### Good Faith Operating Grants

We recommended in Chapter 13 that the federal government announce immediately, as a show of good faith, a conditional operating grant equal to $4 per day for each licensed space serving an infant or handicapped child; $2 per day for each full-day preschool space; and $1 per day for each school-aged or half-day nursery school space. The grants would be made available only to licensed spaces that: (1) are provided by a branch of the provincial, territorial or municipal government or a non-profit agency, and (2) if in a private home, are sponsored and supervised by government or by a non-profit agency.

We estimate that this initiative will cost the federal government approximately $110 million in the first year,[5] rising by perhaps 10 to 15 per cent per year, as new child care centres and licensed family home child care programs start up, and then falling as the 4-2-1 grants are replaced by the medium-term cost-sharing arrangement in each jurisdiction. This estimate is based on an assumption that the number of eligible child care spaces will continue to grow at an average rate of 13.5 per cent per year after 1984, as was the case from 1976 to 1984.

### Good Faith Start-up Grants

We recommended in Chapter 13 that the federal government also make start-up grants available during the initial period. Federal expenditures on this program in 1986-87 are estimated at $6.3 million[6] for the anticipated 16 822 new spaces, of which 2423 would serve handicapped children, 12 108 would be in licensed centres, and 2291 would be in licensed family homes. Federal expenditures on this program are expected to rise marginally each year as the system expands, until the program is replaced by the medium-term cost-sharing arrangement.

### Birth/Adoption Benefits

We recommended in Chapter 14 that, within five years, the duration of the benefits available under the Unemployment Insurance program on the birth or adoption of a child be extended to 20 weeks and the benefit level be increased to 75 per cent of the claimant's regular earnings.

The net cost to the Unemployment Insurance system for the additional benefits is estimated at $140 million (in 1985 dollars), requiring increased contributions by employees of four cents per $100 of insured earnings, and five cents per $100 by employers, (an increase of 1.7 per cent over 1985 premium rates of $2.35.)[7] This estimate assumes: (1) that the take-up rate is 50 per cent in 1990, the first year of operation of the new benefits; and (2) that the birth rate continues to decline through 1990. With a take-up rate of 65 per cent, the cost would be $181 million, (requiring a 2.1 per cent increase over 1985 premium rates).

## Costs in the Medium Term

### Operating Grants

We recommended in Chapter 13 that the federal government offer to cost-share, with the provincial and territorial governments, one-half of the operating costs of licensed child care programs. The federal share would vary between 25 and 40 per cent of program costs in each jurisdiction, with an average federal contribution of 27.5 per cent. We have taken two approaches to estimating the cost of this recommendation. The first provides estimates of costs in 1991 and 1996, based on certain assumptions concerning the rate of growth of licensed child care services over this period. The second provides an estimate of the cost in the year 2001 of providing care to 75 per cent of the children whose parents work or study at least 20 hours per week (the "core need" group), plus 40 per cent of the remaining children.

According to the first set of estimates, in 1991, by which time it is anticipated that all provinces and territories will have entered cost-sharing agreements with the federal government, the cost of the program to the federal government would be $530 million.[8] The provincial/territorial share in the same year would be approximately $434 million. This level of expenditure in the year 1991 will support a child care system consisting of 415 833 spaces, sufficient to serve 24 per cent of infants, 46 per cent of preschoolers, and 6 per cent of school-aged children whose parents work or study at least 20 hours each week. It also assumes a modest increase in real wages for workers in the child care sector.

By the year 1996, when the system will have grown to a capacity of 862 035 spaces, (sufficient to serve 52 per cent of infants, 58 per cent of preschoolers and 15 per cent of school-aged children in the core need group) the cost of the medium-term operating grants to the federal government would be $1168 million, and to the provincial and territorial governments, $956 million.

Because the system in 1996 would have the capacity to serve only a portion of the need, federal and provincial/territorial costs would continue to rise with the growth of licensed services. We predicted in Chapter 13 that perhaps as many as 75 per cent of the core need group of families would ultimately use licensed services if maximum user fees were reduced to one-half of program costs and if good services were made available.

The second approach to costing our proposals starts from an estimate of the cost of delivering child care programs in 1984, the base year used in this report. In that year, there were 1 950 000 children under 13 whose parents worked or studied at least 20 hours each week, and another 2 738 600 children who required care on a part-time or intermittent basis. The cost of providing a system of child care that met the essential needs of all of these children would have been $8946 million in 1984.[9] We defined the essential child care needs of Canadian children to be as follows:

(1) full-day care (averaging 40 hours per week) for the 633 000 children under the age of six whose parents worked or studied at least 20 hours per week in 1984;
(2) half-day nursery school or child care program (averaging 20 hours per week) for the remaining 1 010 200 two-to-five-year-olds;
(3) intermittent child care (averaging 10 hours per week) for the remaining 556 300 children under two;
(4) an average of 20 hours weekly of child care for the 1 317 000 children 6-to-12 years old whose parents work or study 20 or more hours each week;
(5) no child care requirement for the 1 172 100 children 6-to-12 years old who have a parent who is employed fewer than 20 hours in the week, or who is a full-time homemaker.

Thus, the second set of cost estimates reflects the cost of a "no frills" system of child care, one that provides good care, as defined in Chapter 6 of this report, for children while their parents study or work (whether in the paid labour force or in the home) and that provides developmental preschool programs for all two-to-five-year-olds. While the needs of individual families vary, a system of child care that delivered this level of services would, in our estimation, have sufficient capacity to meet the essential child care needs of all Canadian families. Child care while parents travel for business or other reasons, or while they volunteer, socialize or shop, has not been incorporated into these estimates.

Looking ahead, the total number of children in Canada will not likely increase very much, but, because the employment of mothers can be expected to rise, the proportion of children needing full-day child care will increase as the years pass, resulting in higher costs for the child care system. By the year 2001, we can expect that of the 4 738 900 Canadian children under 13, 2 684 800, or 57 per cent, will have parent(s) who work or study 20 or more hours each week. Because a larger proportion of children will require full-day child care than is currently the case, we estimate that the cost of providing essential child care services for all Canadian children will have risen to approximately $11 268 million in 2001.[10]

The contribution that federal, provincial and territorial governments will be called upon to make to the system under our medium-term cost-sharing arrangement will not approach 50 per cent of this total in the next 10 to 15 years, however. The needed services will take time to develop, and as long as user fees remain a feature of the system, take-up will be much lower than 100 per cent. If the needed services develop quickly, perhaps by the year 2001 the partial-user-fee system will reach full maturity, serving approximately 75 per cent of children in the core need group and 40 per cent of the remaining children. The cost of operating a system serving this proportion of the child population would be approximately $7085 million.

Under our medium-term cost-sharing arrangement, the federal and provincial/territorial governments would jointly finance one-half of this cost, with the federal share averaging 27.5 per cent of total program costs. Realistically then, the federal contribution to the operating costs of the child care system should not be expected to exceed $1948 million per annum under a partial-user-fee system. The provincial and territorial governments would contribute another $1594 million. The remaining $3542 million would be provided by parents in the form of user fees or social welfare agencies in lieu of user fees on behalf of low-income families.

Thus, we can conclude that the cost to the federal government of the medium-term financing arrangement for operating costs will be in the order of $500 million in 1990-91, rising rapidly with the development of the system until federal expenditures reach $1948 million 10 years later, then leveling off. Significant cost increases (or decreases) would occur only in the event of some unforeseen change such as a dramatic rise in the birth rate, or a rise in real wages in the child care sector over and above salaries for comparable occupations.

### Start-up Grants

To encourage the rapid development of new child care services in the medium term, we recommended that the federal and provincial/territorial governments jointly finance, through the variable cost-sharing arrangement, start-up and expansion costs. This initiative, together with the operating grants, should result in rapid expansion of needed services during the period from 1991 to 2001. With the federal government contributing 55 per cent of start-up costs, the cost of this initiative to the federal government is estimated at $59.4 million in 1991, and $96.3 million in 1996.[11] Expenditures for start-up or expansion could be expected to rise more slowly until the system reaches full capacity in the first decade of the twenty-first century, then fall and stabilize at a reduced level.

### Subsidies for Low-Income Families

Our recommendations for one-half public funding of operating costs and full funding of start-up in the medium term should have the effect of reducing user fees to one-half of program costs. While this will make licensed child care accessible to a much wider group of families, as long as user fees remain a feature of the child care system some families will be barred from access because they lack the resources to pay for the services. Thus, during the medium term, subsidies will still be required for low-income families. We have recommended that the new variable cost-sharing arrangement apply to these subsidies, rather than the 50-50 cost-sharing now applicable under the Canada Assistance Plan.

In 1984 the federal government spent some $90 million on child care subsidies for low-income families through the Canada Assistance Plan. Provincial governments spent another $130 million. Growth in federal expenditures on child care subsidies is dependent on provincial and territorial initiatives, and is therefore unpredictable. We have assumed that federal expenditures under C.A.P. will increase at about the same rate as the number of child care spaces through 1987 (that is, by 10% per year), then by slightly less than the growth in child care spaces from 1987 to 1996. Once the medium-term cost-sharing arrangement is in effect in 1991, two things will happen: (1) the federal share of spending on child care subsidies for low-income families will rise to 55 per cent; and (2) because half the operating costs will be covered by government revenues, it will be possible, with the same level of expenditure, to provide subsidies for twice as many low-income children. We estimate that the cost of this initiative to the federal government will be approximately $193 million in 1991, rising to $340 million in 1996.[12]

### Child Care Expense Deduction

Because it will take time for the needed licensed services to develop, we have recommended that the Child Care Expense Deduction be retained, with current deduction limits intact, to provide some financial relief to the large number of families using unlicensed child care services. For the 1984 taxation year, federal expenditures on this measure were estimated at $115 million. Provincial expenditures on tax relief amounted to some $139 million.

Currently, only a fraction of families that incur child care expenses actually claim the deduction. When families do not claim the deduction, it is usually because they cannot secure the needed receipts from unlicensed caregivers operating in the grey market. An expansion of licensed child care services should, therefore, result in more families claiming the deduction.

Although user fees for licensed care can be expected to fall with the implementation of one-half public financing in the medium term, they are still likely to remain, for full-time care, above the $2000 per child per year limit imposed under the Income Tax Act. We estimate that the cost of the Child Care Expense Deduction to the federal government will rise to $246 million in 1991, and to $397 million in 1996.[13]

### Birth/Adoption Benefits

We recommended in Chapter 14 that by the year 1995, the duration of birth or adoption benefits be extended to 26 weeks and the benefit rate be increased to 95 per cent. We anticipate that, by the year 2000, the take-up of these benefits will rise to 65 per cent, in response to the more generous benefits, as well as to changes in employment standards legislation in some provinces. The incremental cost of these benefits is therefore expected to be $570 million in 1995 (expressed in 1985 dollars), requiring an increase in the contribution rate of 16 cents per $100 of insured earnings for employees, and 22 cents per $100 by employers, (an increase of 6.8 per cent over 1985 premium rates of $2.35 per $100.)[14]

### Costs in the Long Term: A Fully Funded System

For the medium term, we have proposed that one-half the cost of providing child care for Canada's children be contributed out of public revenues (that is, shared among all Canadian taxpayers), the other half to be contributed by parents. We wish to make it clear that we consider this arrangement much less desirable and less equitable than a system that is funded entirely out of public revenues, because many children will lack access to the services they need. A fully funded system has the great advantage of being fully accessible to every child, with the result that savings in other program areas are maximized. We consider it essential, therefore, that a fully-funded public system of child care be considered the long-term goal for Canada.

How much would such a system cost? A fully publicly funded system of child care in the year 2001 would cost a total of $11.3 billion to deliver.[15] The federal share, at 55 per cent, would be $6.2 billion. An additional $120 million would be required for replacement construction costs. Because user fees would have been eliminated, subsidies for low-income families and tax relief would no longer be required. Provincial and territorial governments would contribute another $5.2 billion to support a fully-funded system.

However, because program savings in other areas will be maximized by providing universal access for all children regardless of family income or social condition, the *net* cost of a fully-funded system will be considerably less, as we shall see in a subsequent section.

## BENEFITS OF CHILD CARE AND PARENTAL LEAVE SYSTEMS

We have just seen what the annual cost to the federal government of the Task Force proposals for new systems of child care and parental leave is likely to be in the order of $116 million in the short term, $2.9 billion in the medium term, and perhaps as much as $6.3 billion in the long term. We believe not only that the cost associated with such systems is small in comparison with the benefits that will accrue to Canada's children, their parents and our social fabric, but also that important economic spinoffs from these programs will help to reduce the unemployment rate, and strengthen the tax base and the economy in general.

In this section we will review the most important of these benefits, identifying, where possible, the economic spin-offs and cost savings in other program areas that can be anticipated following development of child care and parental leave systems in our country.

## Social Benefits

### Benefits for Children

The early childhood period is, of course, crucial to later development. Children who do not receive adequate care, affection and stimulation during this period are more likely to have difficulties later in life. Many will have trouble in school and will not reach their full intellectual or creative potential, resulting in a loss both to themselves and to society. At the extreme, neglect and abuse during the childhood period may lead to a cycle of criminality and to later abuse or neglect of their own children or spouse. Good child care is a good investment if it reduces the number of people who commit crimes, require remedial education, or become dependent on welfare in later years.

Several American studies have confirmed that good preschool programs have both short- and long-term beneficial effects on the lives of children reared in poverty.[16] Documented effects include: improved intellectual performance during early childhood, improved scholastic achievement during the elementary school years, and very significant gains during adolescence in terms of scholastic achievement, socioeconomic success and social responsibility.

Each of six longitudinal studies found that children who attended a quality preschool program were much less likely to later fail a grade at school, be classified as mentally retarded or be placed in special education programs. One study has followed the progress to age 19 of two groups of children from the same inner-city neighbourhood in Ypsilanti, Michigan.[17] The researchers found that, of the young people who had attended the half-day preschool program, 67 per cent had completed high school by age 19, and 38 per cent had undertaken college or vocational training, compared to 49 per cent and 21 per cent of the control group. Sixty-one per cent of the preschool group achieved average or above-average scores on functional competence tests, compared to just 38 per cent of the non-preschool group.

In terms of social responsibility, 31 per cent of the preschool group had been arrested by age 19, compared to 51 per cent of the non-preschool group. The same project reported 64 teenage pregnancies per 100 19-year-old young women who had attended preschool, but 117 per 100 young women who had not attended preschool. A second study, which also looked at teen pregnancies, found that, after pregnancy and childbirth, 88 per cent of the young women who had gone to preschool were likely to complete high school, whereas only 30 per cent of the non-preschool group returned to school after pregnancy.[18] At age 19, 50 per cent of the young people that had attended the Perry Preschool were employed and only 18 per cent were receiving welfare assistance, compared to a 32 per cent employment rate among the non-preschool group and a 32 per cent rate of reliance on welfare.

These results indicate that good early childhood programs have the potential to break the poverty cycle for many children. A cost-benefit analysis of the Perry Preschool Project concluded that every $1000 spent on quality preschool programs for disadvantaged children returns $3500 to $7000 to society in terms of reduced program costs in other areas (especially reduced education costs) and increased earnings.

Gains for children from middle class backgrounds, while less dramatic than those for children from deprived environments, have also been demonstrated.[19] Good care during the preschool years prepares children for entry to the school system, resulting in less reliance on remedial programs. It develops important social skills, including the ability to work with peers, improves problem solving and other intellectual skills.

Good child care can compensate for a lack of affection or stimulation in a child's home environment. It provides a vehicle for early detection of severe cases of child abuse or neglect, early identification of learning disabilities, socialization and language adaptation for recent immigrant children, and integration of handicapped children into society.

The lives of children who are at risk while their parents work — children reared on farms, for example, who are exposed to poisonous substances and heavy machinery, or children whose parents, due to their low incomes, cannot afford good care — are greatly improved by access to good child care.

The benefits cited in this section, however, accrue only from quality programs. The more comprehensive and accessible are quality programs, the more widespread will be the benefits.

### Benefits for Parents

As things stand now, mothers pay a major part of the cost of inadequate parental leave and child care systems, either because they give up a chance for a job and economic autonomy in order to take care of their children themselves, or because they suffer constant anxiety as a result of settling for inadequate child care.

A good system of child care would provide stable, consistent, stimulating care for children. At the same time it would reduce the stress created when parents are compelled to leave their children in uncertain arrangements. The anxiety parents suffer due to unsatisfactory care arrangements, and the relief parents experience when they are fortunate enough to find good arrangements, were recurrent themes in letters received by the Task Force from parents. This anxiety affects parental health, work performance, and the time and energy they can spend with their children.

A system of good child care would certainly increase opportunities for women to participate fully in the labour force, at the same time allowing more fathers to participate fully in family life by combining their work and family responsibilities. Our society cannot afford to give up the productive capacity of half our potential work force, nor can Canadian families afford to forgo the contribution of fully participating fathers.

Parents who are assured that their children are being cared for in a quality caring environment would be free to direct their energies to their employment, training or voluntary work. Employed women would no longer be faced with the choice of giving up a job or refusing a promotion in order to ensure good care for their children. *A Survey of Child Care Arrangements in 1981* by Statistics Canada found that 121 000 working mothers were compelled to leave or refuse a job offer because they could not find adequate child care arrangements. This figure does not take into account the number of mothers who work part-time when they would prefer to work full-time if they could find good child care.

Inadequate provisions for maternity leave are also costly to mothers. The low take-up rate for maternity benefits — just 55 per cent — and the low level of benefits mean that working mothers suffer considerable income loss at the time of child-birth.

Families that face involuntary interruption of employment by one parent, either because good child care is unavailable or because they are ineligible for maternity benefits, lose not only income during the period, but also the long-run advantages of labour force attachment, including contributions to pension and other benefits plans.

Parents who rear their children at home also need child care services and family support programs. It is unreasonable to expect any adult to spend 24 hours a day with small children and never to have time for herself or to participate in community activities. As we have already seen, part-time or even full-time child care can be crucial in relieving stress on parents in family crisis situations and in helping mothers to cope. For some families, such services may make all the difference in allowing them to keep their children rather than having to place them in foster care.

These benefits for parents have implications for employee productivity as well as for public spending on health care, family crisis intervention services, welfare, and public pensions.

### Benefits for Society

In one sense, the benefit to society of providing sound child care and parental leave programs is the sum of the benefits to the various groups described. But, in another sense, it is much more than this. Children who are not properly cared for bear a great burden themselves, but other children who associate with them may also suffer if, for example, learning in the classroom is slowed or disrupted, or if they are enticed into acts of vandalism or other forms of juvenile delinquency. Ultimately, of course, it is the whole of society that eventually pays the cost if children do not become productive, responsible members of the community.

Immediate benefits accrue, if, for example, single parents are able to remain in the labour force rather than becoming dependent on welfare, or if family crises resulting in hospitalization of a parent or placing of the children in foster homes are prevented. In the longer term, savings can be anticipated in other areas, including mental health services, remedial education, criminal justice, penal systems and welfare costs. Currently we spend some $15.9 billion each year on these programs in Canada. If good systems of child care and parental leave reduced these costs by just 10 per cent, the savings to the public purse would be $1.6 billion annually. The more comprehensive and accessible the systems created, and the better the quality of services delivered, the greater the benefits to society, including savings on other social programs.

Great concern has been expressed in recent years about the ageing of our population and the declining birth rate. The extent to which this phenomenon is a result of the absence of adequate social support to families with children is not known. How many childless couples would choose to have children if they could count on an adequate system of parental leave and on quality child care services? How many families with only one or two children would choose to have more children in these circumstances?

The Task Force believes that a system of child care and parental leave is a good investment. We believe not only that the sums invested will pay dividends in the immediate future and will help to stimulate the economy, but that, in the final analysis, our society can no longer afford to put off providing these services.

## Economic Benefits

In addition to providing a needed service, a system of child care should be thought of as an integral part of our economic system, a sector that can play a small but essential role in policies for job creation and full employment. Parental leave also represents a constructive, non-coercive form of job-sharing, which can help reduce the unemployment rate and the negative social and economic consequences of unemployment.

### Job Creation in the Child Care Sector

The operating grants proposed in Chapter 13 will provide the funding base required to sustain operation of child care centres and family home child care programs, and, as such, operate as a type of permanent job creation program. We consider this initiative to be an appropriate element of Canada's efforts to combat unemployment.

Current levels of unemployment, which are very high by historical standards, are now understood to be a long-term structural problem related, in part, to international competition for market shares and, in part, to the decline in the share of GNP occupied by primary and secondary manufacturing industries in Canada. While modernization and technological innovation may be essential to improving productivity and to competing effectively in world markets, they can have a devastating effect on employment unless they are counterbalanced by job creation in labour-intensive service industries. Adoption of a full-employment policy, based on the development and modernization not only of manufacturing industries but also of service industries, will be required in industrialized countries such as Canada, in response to this situation.

Child care is a prime candidate for this kind of job creation, firstly, because it represents an essential service to the community, the demand for which is growing at a rapid pace; secondly, because it is a highly labour-intensive industry in which some 85% of expenditures are made directly on salaries; and, thirdly, because it is a local community service, which will spread its job-creating effects everywhere across Canada without requiring difficult choices concerning localization.

How many jobs can we expect as a result of implementation of the Task Force proposals? We can expect a rapid growth in child care services, and hence jobs in this sector, as a result of the medium-term financing proposals set out in Chapter 13. Table 15.1 gives an estimate of employment in licensed child care services in 1984, projections for 1991 and 1996, and two estimates for the year 2001.

We anticipate that the partial-user-fee system should reach maturity by the year 2001, having the capacity to serve 75 per cent of the children whose parents work or study at least 20 hours per week and 40 per cent of the remaining children. By this time, some 295 000 people will be employed in the child care sector as caregivers in licensed centres or licensed family homes, child care program directors, family home care supervisors, cooks, janitors, and clerks. The medium-term cost-sharing arrangement will therefore result in the creation of as many as 275 000 permanent jobs in Canada, most of them full-time. Once the capacity of the system reaches this plateau, and, as long as partial user fees continue to apply, the number of jobs in the sector should remain relatively stable at this level in subsequent years.

Should Canada move to full financing of the child care system, we should anticipate take-up of the services to approach 100 per cent. Under this scenario, we can expect more than 518 000 Canadians to be employed in the child care sector, an increase of as many as 498 000 permanent jobs over 1984 levels.

It is probable that our proposal to make the federal share of financing inversely proportional to the provincial capacity to pay will have the effect of stimulating more rapid growth of child care services, and hence jobs, in those regions of the country where child care is least developed and unemployment rates highest. As a result, proportionally more child care jobs will be created where employment is needed most.

A system of good child care that provides fair wages and working conditions for caregivers will give much needed recognition to this occupation, and reduce work overload and high turnover rates. This will result in more stable and consistent care for children, and will attract more young people to the occupation. Some caregivers now working outside the market economy will benefit by being brought into the licensed system. Association with a licensed family child care agency provides training, overcomes isolation and prevents burnout, in addition to changing the perception of the occupation from "just baby-sitting" to an occupation acknowledged in the formal labour market, with reasonable compensation. The children for whom they care will benefit in that they will be provided with more stimulating and competent care and greater opportunity to interact with peers in other settings.

### Parental Leave: A Form of Job-Sharing

In the context of high unemployment, which looks more and more likely to be of a long-term nature, job-sharing and reduction of working time have been suggested as ways of ensuring that both the negative effects and the benefits of technological change fall more evenly across the working

## TABLE 15.1

### Estimates of Employment in Licensed Child Care, 1991, 1996 and 2001

| Age of Children | Current Financing | Partial Operating Grants | | | Full Financing |
|---|---|---|---|---|---|
| | 1984 | 1991 | 1996 | 2001 | 2001 |
| 0 to 6 | | 68 188 | 131 692 | | |
| 6+ | | 9 174 | 1127 998 | | |
| **Total** | **19 364** | **77 362** | **159 690** | **294 822** | **518 029** |

**Notes:** Jobs created in 1991 and 1996 are based on projected growth of child care services. See Ruth Rose-Lizee, *A Proposal to Cost-Share Operating and Start-Up Grants to Day Care Centres: Ten Year Estimate of the Impact on Day Care Spaces, Percentage of Need Met, Salaries, User Fees, Employment and Federal Expenditures*. A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E.

The first projection for the year 2001 shows the number of jobs that are likely to be created under a partial-user-fee system (when we assume that 75 per cent of the core need group would be served within the system and 40 per cent of remaining children). The second projection assumes a fully-funded public system in which all children receive the care they need. See CPA Group Inc., *National Day Care Costing Model*. A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E.

population. Many unions have asked for reduced working hours in various forms — reduced work week, longer vacations, more holidays, paid educational leave or sabbaticals — not only as a way of improving the quality of life but also as a form of job-sharing. Employers and governments have used, for many years now, various kinds of early retirement plans to avoid layoffs and to open up new jobs for young people. The Government of Canada has, since 1977, sponsored short-term job-sharing programs through the Unemployment Insurance program in firms that otherwise would have had to lay off a significant number of employees.[20]

In this context, parental leave can be viewed not only as an essential part of a Canadian child care system and a mechanism to integrate family needs into the economic system, but also as a form of job-sharing. In fact, our proposals for longer paid parental leave, in effect, ensure that the people who withdraw from the labour force temporarily to care for small children will continue to receive a share of income, just as people do if they are on vacation or sick leave, or are retired. The cost of infant care, instead of being borne almost exclusively by mothers, would be shared by all who contribute to unemployment insurance.

While we cannot expect employers to replace every employee who takes parental leave, when permanent employees take parental leave, temporary employment opportunities are created for others. It is anticipated that the longer the period of leave taken by an employee, the more likely it is that the employee will be replaced during the leave period. How many jobs are likely to be created as a result of our proposals on parental leave? Table 15.2 provides estimates for the years 1990 and

## TABLE 15.2

### Estimates of Jobs Created as a Result of Replacement of Personnel Taking Parental Leave, 1990 and 2000

| | 1990 | | 2000 | |
|---|---|---|---|---|
| | **Minimum 50% Takeup** | **Maximum 75% Takeup** | **Minimum 50% Takeup** | **Maximum 75% Takeup** |
| **Regular Paid Leave** | | | | |
| Total beneficiaries | 126 000 | 189 000 | 110 000 | 164 000 |
| Average duration (weeks) | 18 | 18 | 23 | 23 |
| Rate of replacement (%) | 50 | 50 | 50 | 50 |
| Jobs created | 63 000 | 94 500 | 55 000 | 82 000 |
| **Extended Unpaid Leave** | | | | |
| Per cent taking leave | 50 | 50 | 25 | 25 |
| Number taking leave | 63 000 | 95 000 | 27 500 | 41 000 |
| Average duration (weeks) | 10 | 10 | 20 | 20 |
| Rate of replacement (%) | 75 | 75 | 75 | 75 |
| Jobs created | 47 250 | 71 250 | 20 625 | 30 750 |
| **Total Jobs Created** | **63 000** | **94 500** | **55 000** | **82 000** |
| **Average Duration (weeks)** | 25.5 | 25.5 | 30.5 | 30.5 |

2000. In 1990, if just half the Canadian workers who take birth or adoption leave are replaced during the leave, some 63 000 Canadians will find temporary employment averaging 25.5 weeks in duration, replacing others who have taken parental leave. By the year 2000, we estimate that some 82 000 temporary jobs will be created each year, averaging 30.5 weeks in duration, as a result of the parental leave program.

### Cost Savings From Job Creation

The jobs created in the child care sector and as a result of the parental leave program will reduce Unemployment Insurance and welfare costs, since some of those filling the temporary jobs would otherwise be on Unemployment Insurance or welfare. We estimate that the cost of our parental leave proposals, for example, will be reduced by 12 to 15 per cent by this phenomenon of job-sharing. Costs to the Unemployment Insurance system will also be reduced if replacements for parents taking extended unpaid leave are hired from the pool of Unemployment Insurance beneficiaries. We estimate these gains to be in the order of four to six per cent of the estimated cost of the program.[21]

### Benefits for Employers

Increasingly, employers are beginning to understand that inadequate child care services are costly not only in terms of absenteeism, but also in terms of reduced productivity on the job. Employees have difficulty fulfilling their work obligations if they are anxious about the care their children are receiving, or if they are constantly on the telephone to check on them. A recent *New York Times* article cited a manager for Southland Corporation in Dallas as estimating that his company "has been losing more than $70 000 a year due to absenteeism among mothers who had to be home with their children — either because of illness or a breakdown in day care arrangements."[22] A Quebec study of 6400 working women found that, among those who had children under age 12, 37.9 per cent were absent at least once during the year because of a sick child, and another 25 per cent because the babysitter was not available.[23]

As women move into the labour force in greater numbers and as they increasingly perform jobs requiring high levels of training, the cost to employers of losing them when they have children rises. Providing maternity leave with adequate income replacement is often far cheaper than recruiting a new employee. The duration of care provided also affects employee performance. One American expert in the field recently concluded that "corporate policies that require women to return to work within eight weeks of having given birth" are self-defeating "because many women come back depressed, fatigued and unproductive after so short a period."[24]

Employers also have a long-run stake in quality child care programs, since the care that today's children receive will affect their performance as workers in the future.

A well-financed child care and parental leave system, by providing higher disposable incomes for parents and caregivers, will contribute to economic prosperity in general. Business will benefit from increased demand for their goods and services.

### Other Economic Spinoffs

We have indicated that the development of a child care system with partial user fees and enhanced parental benefit programs will have the effect of creating as many as 350 000 jobs by the time the system matures in the year 2001. Average salaries will have risen to at least equal those of nursing assistants — a real increase of 50 per cent over current caregiver salaries.[25] Both changes will generate additional tax revenues for the federal and provincial/territorial treasuries. Recovery through taxes to the federal treasury is estimated at $360 million in the year 2001 under a partial-user-fee system.[26]

Under a fully publicly funded system, total jobs created will exceed 500 000, with an estimated tax recovery of $600 million.[27]

There will also be important multiplier effects in the economy as the result of increased spending by governments on child care and parental leave. Start-up grants to the child care system will generate employment in the construction industry and in industries supplying equipment to child care centres. In addition, to the extent that the additional income received by child care workers, parents benefitting from reduced user fees, people on parental leave or their replacements is spent on goods and services produced in Canada, there will be additional employment created and tax revenues generated. We have not attempted to quantify these multiplier effects.

## NET COSTS

We can summarize the net cost of the Task Force recommendations as follows:

(1) *In the short term*, we recommend that the federal government undertake a modest level of new expenditures on child care, totalling some $116 million in the first year, and require employers and employees to increase their contributions to the Unemployment Insurance fund by some $140 million per year to finance enhanced parental benefits.

(2) *In the medium term*, we recommend that the federal and provincial/territorial governments share the cost of: (1) one-half the operating costs of licensed child care programs; (2) start-up costs; (3) subsidies for low-income families; and (4) the Child Care Expense Deduction under the Income Tax Act. The total cost to the federal government of these recommendations we estimate to be some $2.9 billion annually by 2001. New tax revenues generated will offset federal spending by some $360 million. Employers and employees would be required to contribute an additional $570 over 1985 premium rates for further enhanced parental benefits.

(3) *In the long term*, we recommend that the federal and provincial/territorial governments share the full cost of the child care system, and that employers and employees continue to finance parental benefits through Unemployment Insurance premiums. Total federal expenditures would be in the order of $6.3 billion; with tax recovery of some $600 million. This

estimate of federal revenues recovered through taxes is a very conservative estimate, since we have not incorporated into it multiplier effects or immediate savings on welfare or unemployment insurance expenditures as recipients of these benefits find employment in the child care sector, or replace other workers on parental leave. In addition, we consider the estimate of total program costs to overstate the actual net cost, because we have not taken into account the long-term savings that will accrue in such programs as remedial education, criminal justice and corrections, mental health services and social welfare payments.

## APPROACHES TO FINANCING: FINDING THE MONEY

Since some 2.0 million Canadian children already receive some form of child care on a daily basis, and the remaining 2.7 million receive part-time or intermittent care, the real issue in financing a new child care system is not *whether* we can afford services for these children, but rather, *what order of priority* we place on the quality of care provided to our children, and how we should *distribute* the cost.

The cost of providing the essential care needed for Canadian children in 1984, with quality standards and equitable wage rates, would have been in the order of $8946 million.[28] Government spending on child care, at $542 million, represented just *six* per cent of this total program cost, leaving parents, caregivers and children to absorb the remainder.

The Task Force proposals would shift that burden somewhat. In the long run, when child care will be made available as a publicly funded service accessible to all children, regardless of their parents' level of income or employment status, child care services, like care for the sick, public pensions for the elderly, and education for our young, will be shared among all taxpayers, whether or not they currently have children. Because most Canadians are parents for a period of their lives, in effect, the cost of providing 12 years of child care will then be spread out over a taxpayer's lifetime, rather than being incurred exclusively during the child-rearing years. The progressive nature of our income tax system will ensure also that those with higher incomes pay a larger-than-average share of the cost, while those with lower incomes pay a smaller-than-average share.

The decision to develop public systems is generally based on two principles. Firstly, that the cost of inaction, and conversely, the benefits of action, transcend the individuals immediately affected, having profound effects on our society and economy as a whole. Secondly, that the needed programs are of such a nature that they will never develop if individuals are left to fend for themselves in the marketplace. Thus, we fund, from public revenues, projects such as roads, sewers, public parks, education, health care, and pensions for the elderly. Child care and parental leave are two such programs. We believe that, since all Canadians will benefit from a quality system of child care and parental leave, all Canadians should share in the costs, through a system of public financing.

Much has been heard recently in Canada about the need for, and the appropriateness of, universal social programs and benefits. In his Economic and Fiscal Statement of November 8, 1984, the Minister of Finance suggested that the design of the federal government's social policy ought to be "based on the twin tests of social and fiscal responsibility." Social responsibility, he said, dictates that scarce resources be diverted first to those in greatest need. Fiscal responsibility implies that government expenditures be allocated to provide immediate employment opportunities and to better ensure sustained income growth.[29] Having recognized in the 1984 Speech from the Throne that "the need for accessible and affordable child care has in recent years come to the forefront of the social agenda facing Canada,"[30] the current government has also expressed a willingness to seek solutions to the child care crisis.

In our view, there is simply no question that affordable, accessible, quality child care should be considered the right of every child and parent in Canada. The need is great. Diversion of resources to meet this need is consistent with the government's commitment to social responsibility. Moreover, improvement of our network of child care services will, in itself, stimulate thousands of new jobs in Canada. Concurrently, it will allow Canadians to pursue job opportunities and to meet their income security needs, confident in the reliability and quality of care their children are receiving. Healthy, well-adjusted children are the corner-stone of long-term sustained economic growth. On all grounds, the test of fiscal responsibility is honoured in full.

Where will the federal government find $2.9 billion in the medium term, and up to $6.3 billion in the longer term to finance these initiatives? Let us state at the outset that, in our view, the collection of programs known as the Child Benefits Program *cannot* be considered a source of funding for our proposals. In our view, the existing child benefits package, including direct expenditures like the Family Allowance, as well as tax expenditures like the Child Tax Exemption, the refundable Child Tax Credit, and the Child Care Expense Deduction, provide benefits that are *too low at all levels of income*. Recent budget changes have further reduced these levels for most families, and de-indexing will continue to erode support for families with children into the future. For this reason, we firmly believe that the existing package cannot be rearranged to provide the dollars required to finance an appropriate system of child care and parental leave for our country. We wish to emphasize that the required financing must not be taken, even in part, from the existing package of child benefits.

We believe, rather, that *new* resources must be found to finance the proposals made in this report, both in the short- and long-run. We see the care of children as a matter of collective national concern and obligation, and we believe that the general population, not just current parents of young children, ought to share the cost of providing that care.

We believe just as strongly that if the federal government re-examines its direct grant and tax expenditure programs, sufficient funds can be identified to implement our proposals without increasing the deficit or raising taxes. The matter, in our view, is simply one of priorities, of determining which current programs have a higher or lower priority than the care of our children and the future of our citizenry. Tax expenditures in 1980 resulted in an annual net revenue loss of $13.8 billion (and a corresponding loss at the provincial level of another $6.9 billion). The figures are undoubtedly higher now. When we examine the list of tax expenditures and preferences, we find many items whose claim to federal expenditure do not approach the claim of parents and children for child care in this country.

Perhaps it is not for our Task Force to point the finger at one or another of those programs. We do, however, note that in our present system, there are a multitude of tax exemptions, tax deductions and tax credits that are both regressive — resulting in enormous tax savings to people with high incomes — and have the perverse effect of stimulating saving in a country that presently has one of the highest rates of saving in the industrial world. For example, in 1983, the tax exemption for the first $1000 of investment income cost the federal government $835 million, and the provincial governments another $334 million.[31] The lower corporate income tax rate cost the federal government $1 billion dollars in 1979, and the provincial governments $400 million. Other examples include the deduction for investment in Canadian films, oil and gas drilling funds, MURBs; and the exemption from taxation of $500 000 of capital gains over a lifetime (in 1981, the exemption from taxation of only half of capital gains cost the federal government between $565 and $800 million, and the provinces between $230 and $320 million); and deductions for contributions to pension plans and registered retirement savings plans (RRSPs), which cost the federal government $4.9 billion in 1983, and the provinces about $2 billion, and which have been enhanced recently, benefitting mainly high-income taxpayers.[32] The funds from any of these programs might better be used to stimulate child care services. The removal of one or more of these exemptions, deductions or credits would also provide a much-needed spending impetus in the country.

The point we make is simply this: many tax expenditures as well as several direct grants programs, were begun in years past, both to meet economic and social conditions that no longer prevail, and to appease the lobbying efforts of special interest groups. We believe that the needs and priorities of Canadian families must be placed foremost on the reform agenda in the new economic and social order. If those needs remain unmet, our children will suffer, parents will be angered, and our social and economic systems will fall below their potential. In the final analysis, if taxes must be increased or if the deficit must rise marginally in order to finance this program, this is acceptable in our view.

The Task Force recognizes that time will be required to develop the necessary child care infrastructure and to find the means to finance it fully. In the short and medium run, we have recommended that the federal government play the leading role, to set the wheels in motion so that the needed systems can become a reality before the end of this century.

We are convinced that the government that initiates and perfects these systems will be rewarded in the short run by the accolades of the people and, in the long run, by the favourable judgment of history. These systems will be remembered beside such significant social reforms as child employment laws, social allowance legislation, univeral public education, health care, and public pensions, as the measures of civilization of our era.

We have pointed out, earlier in this report, how closely the pattern of developing child care services resembles earlier development in public education, medical services, and other important social programs. Inevitably, there is initial resistance in some quarters because change often is perceived as threatening and discomforting. However, it is in the nature of our species that, with time, resistance passes. The older generation adapts to the ways and needs of the younger generation. Soon, one wonders what the fuss was all about in the first place.

We are fortunate to live in an affluent and progressive society in which we pride, above all else, our sensitivity to the most vulnerable of our people. The simple fact is that a new era of family life and hence, needs, is now with us. With each passing year, a larger and larger proportion of Canadian children require child care on a daily basis and parents require leave from work to fulfil essential parental responsibilities. This is the environment into which our children are now born and in which they will mature. Our social policy must be founded on a realistic recognition of these facts.

The need is urgent. We must satisfy it or be found wanting.

# Notes

## Chapter 1

[1] *Report of the Royal Commission on the Status of Women in Canada*, (Ottawa: Information Canada, 1970), 21-1967-1, p. 263.

[2] *Report of the Commission on Equality in Employment*, Judge Rosalie S. Abella, Commissioner, (Ottawa: Supply and Services Canada, 1984), Catalogue No. MP43-157/1-1984E, p. 177.

[3] For the purposes of the Census, a family refers to a husand and wife, (with or without children who have never married, regardless of age), or a lone parent of any marital status, with one or more children who have never married, regardless of age, living in the same dwelling. Persons living in a common-law arrangement are included in the counts of husband-wife families. The *census family* is not necessarily the same as the *economic family*, defined as persons who are related to each other and living in the same dwelling.

Census data on families are drawn from the following publications of Statistics Canada: *Canada's Young Family Home-Owners*, February 1984, Catalogue No. 99-939; *Canada's Lone-Parent Families*, May 1984, Catalogue No. 99-933; *Changes in Income in Canada*, May 1984, Catalogue No. 99-941. Information on fertility and parenting trends will be found in *Current Demographic Analysis: Fertility in Canada: From Baby-boom to Baby-bust*, by A. Romaniuc, Statistics Canada 91-524E, November 1984.

Additional unpublished data were supplied by the Census and Household Statistics Branch of Statistics Canada.

[4] Children, for purposes of the census, are defined as never-married sons and daughters, including adopted and step-children, regardless of age, living in the same dwelling as their parents.

[5] Statistics Canada, *Current Demographic Analysis: Fertility in Canada: From Baby-Boom to Baby-Bust*, A. Romaniuc, (Ottawa: November 1984), Catalogue No. 91-524E. All references in this section to demographic data are taken from chapters 1, 2 and 4 of this report.

[6] Romaniuc, p. 34.

[7] Two recent examples are: the analysis of child benefits contained in the government's *Consulation Paper on Child and Elderly Benefits*, January 1985 and the analysis of the impact of tax changes in families contained in the May 1985 *Budget Papers*, p. 44.

[8] Statistics Canada, *The Labour Force*, (Ottawa: December 1984), Catalogue No. 71-001, p. 100.

[9] Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E, Table 18, p. 87.

[10] *Infants* in this survey were defined as children zero to two years of age; *preschool* children as those aged two to five; and *school-aged* children were 6-to-12-year-olds.

[11] Income concerns may be either short-term (the need for immediate household income) or long-term (impact of interrupted or part-time employment on opportunities for advancement, pension contributions, and capital accumulation by the family).

[12] Romaniuc, p. 60.

[13] Lero et al., Table 18, p. 87.

[14] Statistics Canada, *Changes in Income in Canada: 1970-1980*, (Ottawa: May 1984), Catalogue No. 99-941, p. 7.

[15] National Council of Welfare, *Poverty on the Increase*, (Ottawa: March 1985), and *Giving and Taking: The May 1985 Budget and the Poor*, (Ottawa: July 1985).

[16] Social Planning Council of Metropolitan Toronto, *Social Infopac*, Volume 3, No. 5, November 1984. The costs included are designed to provide for the health, comfort and social well-being of a typical child in the Toronto area, excluding luxuries and unusual expenses.

[17] Disposable income refers to the family's total income after deductions for taxes, unemployment insurance premiums, and Canada Pension Plan contributions, for a couple with two children in Ontario. We have assumed here, as elsewhere in the report, that one spouse contributes one-third of family income and the other spouse two-thirds. Annual expenditures for child care are national averages taken from a survey of market prices conducted in September and October 1984 for the Task Force by Rubin Todres Consultants Ltd, "The Price of Child Care in Canada: A National Survey." Survey results are described in detail in Chapter 8. For purposes of these calculations, we have assumed that (a) the parents, when using licensed care, placed the infant in licensed family home care and the preschooler in licensed centre care, and (b) that the informal caregiver allowed a discount of 45 per cent for the second child. The 1985 average income for two-earner couples with children under 12 derived from the Health and Welfare Canada data base has been deflated by four per cent to provide an estimated average income of $43 000 in 1984.

[18] Statistics Canada, *Family History Survey: Preliminary Findings*, Thomas K. Burch, (Ottawa: August 1985), Catalogue No. 99-955.

[19] See Figure 1.3

## Chapter 2

[1] Quebec legislation provides two days of unpaid leave to fathers on the birth of a child, too short a period to allow the parents flexibility in deciding which of them will care for the newborn child.

[2] The federal government does contribute to the Unemployment Insurance Fund, but only to finance additional weeks of *regular* Unemployment Insurance benefits in regions where the unemployment rate exceeds four per cent. In 1984, the federal government contributed $2.9 billion to the fund, to maintain benefits for the large number of unemployed workers. However, the number of pregnant workers who claim benefits each year is relatively stable; the cost of providing

benefits for this group has been built into the level of premiums contributed by employers and employees.

[3] Strategic Policy and Planning Division, Employment and Immigration Canada.

[4] Employment and Immigration Canada, *Unemployment Insurance in the 1980s*, (Ottawa: Supply and Services Canada, July 1981), Catalogue No. MP15-3/2-1981E, p. 70.

[5] Employment and Immigration Canada, p. 52.

[6] Employment and Immigration Canada, p. 70.

[7] This is net income as defined on the personal income tax form. It is total income from all sources including Unemployment Insurance benefits and supplements, minus deductions such as the employment deduction, pension plan contributions, unemployment insurance premiums, tuition fees, but before the personal exemptions (on page 2 of the form) have been deducted.

[8] She must pay back 30 per cent of benefits received or 30 per cent of the amount by which her income exceeds $35 880, whichever is less. In this case, the surtax is $1242 (30% of $4140 total benefits) and net benefits are $4140 — $1242 = $2898.

[9] Canadian Paediatric Society, "Breast feeding: What is left besides the poetry: a statement by the Canadian Paediatric Society," *Canadian Journal of Public Health*, v.69 (Jan./Feb. 1978), pp. 13-20.

[10] Labour Canada, *Provisions in Major Collective Agreements in Canada Covering 500 or More Employees*, (Ottawa: 1984), Catalogue No. 82-31/7/85, pp. 114-117, 140-141.

[11] Labour Canada, pp. 140-141.

[12] Since this clause was negotiated before maternity benefits were extended to adopting parents under the Unemployment Insurance Act, and the employer had to pay the entire salary, it would not be surprising to see an extension of the duration of leave in the case of adoption in subsequent negotiations.

[13] Deputy Ministers, the EX and SM groups, and senior positions in other classifications that have been designated as "management exclusions".

[14] As of April 1, 1985 the following occupational groups lacked this benefit: Air Traffic Control; Auditing; Dentistry; Electronics; Foreign Service; Heating, Power and Stationary Plant Operations; Library Science; Printing Operations; Ship Repair (East Coast); Ship Repair (West Coast); and Ships Crews.

[15] As of April 1, 1985 the following occupational groups lacked this benefit: Air Traffic Control; Auditing; Dentistry; Foreign Service; Heating, Power and Stationary Plant Operations; Library Science; Printing Operations; Ship Repair (East Coast); Ship Repair (West Coast); and Ships Crews.

[16] Prior to August 8, 1975, a pregnant servicewoman had no option but to take her release from the Armed Forces.

[17] Canadian Armed Forces Administrative Order 56-29, para. 13.

[18] Workers excluded from this benefit belong to the following occupational groups: Auditing; Dentistry; Heating, Power and Stationary Plant Operations; Library Science; Printing Operations; Ship Repair (East Coast); Ship Repair (West Coast); and Ships Crews. Members of the Armed Forces do receive the bridging allowance.

[19] As of April 1, 1985 the following occupational groups did not have this clause in their collective agreements: Air Traffic Control; Auditing; Dentistry; Foreign

Service; Heating, Power and Stationary Plant Operations; Library Science; Printing Operations; Ship Repair (East Coast); Ship Repair (West Ccast); Ships Crews.

[20] As of April 1, 1985 the following occupational groups did not have the family responsibility leave clause in their collective agreements: Air Traffic Control; Auditing; Dentistry; Foreign Service; Heating, Power, and Stationary Plant Operations; Library Science; Ship Repair (East Coast); Ship Repair (West Coast); Ships Crews. Printing Operations group may take leave only to take dependent family members to medical or dental appointments.

## Chapter 3

[1] Chapter 7 deals with provincial licensing requirements for centres and homes.

[2] Regroupement des garderies sans but lucratif du Quebec, Inc., *Pour la reconnaissance du droit aux garderies: un financement direct et adéquat*, May 1979. This study found that care for preschoolers cost between $17.88 and $23.85 per day in a centre and $27.99 in a family day care home. For infants, the cost was between $23.85 and $35.71 in a centre and $28.99 in a family home.

[3] Nancy Miller Chenier, *The Informal Child Care Market: Public Policy for Private Homes*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E, p. 154.

[4] Miller Chenier, pp. 159-160.

[5] Harvey Stevens, *Child Care Needs and Realities in Winnipeg — 1984: A Report for the Manitoba Child Care Association*, (Winnipeg: Social Planning Council of Winnipeg, 1984); Guy Pelletier, *Faire garder nos enfants... Une enquête sociologigue réalisé aupres de parents d'enfants d'âge préscholaire de la Rive-sud de Montréal*, (Montréal: Université de Montréal, 1983); Donna S. Lero, *Factors Influencing Parents' Preferences For, and Use of Alternative Child Care Arrangements for Preschool Age Children*, (Guelph: University of Guelph, College of Family and Consumer Studies, 1981); and Laura Climenko Johnson, *Who Cares? A Report of the Project Child Care Survey of Parents and Their Child Care Arrangements*, (Toronto: Community Day Care Coalition and the Social Planning Council of Metropolitan Toronto, 1977).

[6] Harvey Stevens, *Child Care Needs and Realities in Winnipeg — 1984: A Report for the Manitoba Child Care Association*, (Winnipeg: Social Planning Council of Winnipeg, 1984), p. 73.

[7] As of April 1, 1985, centres operated by municipalities in Quebec are eligible for provincial operating and capital grants. They were previously excluded from this funding because of the requirement that boards of directors of a centre must have a majority of parents in order to be eligible.

[8] In its report, *Status of Day Care in Canada 1984*, the National Day Care Information Centre began to present data broken down by four age groups of children (0-17 months, 18-35 months, 3-5 years, 6-12 years) to more closely conform with provincial regulations. These data were made available to the Task Force in May 1985, too late to alter our general presentation and analysis. Thus, throughout this report, we will continue to use the more traditional analysis, dividing children and spaces into three groups: infants (0-23 months), preschoolers (2-5 years) and school-aged (6-12 years).

[9] Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), *Series 5, Catalogue No. SW43-1/5-1985E.*

[10] Stevens, Tables 3.1 and 3.2, pp. 24-25.

[11] The National Day Care Information Centre is attempting to gather data from the provinces on part-time spaces (including nursery schools) for 1984.

[12] Stevens, Table 3.3, p. 26.

[13] Laura Climenko Johnson, *Who Cares? A Report of the Project Child Care Survey of Parents and Their Child Care Arrangements*, (Toronto: Social Planning Council of Metropolitan Toronto, November 1977), Table 4.3, pp. 108-110.

[14] Under Bill 3 adopted December 1984, the school boards would be obliged to provide day care services for both school-aged and preschool children at the request of the school council comprised of a majority of parents. Implementation of this law, however, has been delayed indefinitely pending challenges to its constitutionality on grounds unrelated to the day care issue.

[15] Statistics Canada, *Initial results from the 1981 survey of child care arrangements*, Labour Force Survey Research Paper No. 31, (Ottawa: Supply and Services, 1982).

[16] Stevens, Table 3.8, p. 31.

[17] PMA Consulting Group Limited. *A Survey of Private-Home Day Care in Ontario*, Prepared for the Ontario Ministry of Community and Social Services (Toronto: March 1983), p. 185.

[18] Donna S. Lero, *Factors Influencing Parents' Preferences For, and Use of Alternative Child Care Arrangements for Preschool Age Children*, (Guelph: University of Guelph, College of Family and Consumer Studies, 1981), p. 14.

[19] Regroupement des garderies de la région Six C, *Travailler juste payer la garderie, une étude sur la capacité financière des parents et la choix d'un mode de garde*, (Montreal: September 1981), pp. 14-15.

[20] Johnson, p. 87.

[21] Statistics Canada, p. 40.

[22] Johnson, p. 88.

[23] Regroupement des garderies de la région Six C, pp. 14-15.

[24] Statistics Canada, Table 21, p. 40.

[25] Newfoundland, Yukon and the Northwest Territories have yet to develop such a program. *See* Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

[26] Sheila McLeod Arnopoulos, *Problems of Immigrant Women in the Canadian Labour Force*, (Ottawa: Canadian Advisory Council on the Status of Women, 1979), p. 3.

[27] Stevens, p. 73.

[28] Johnson, p. 72.

[29] Statistics Canada, Table 8, p. 22.

[30] Ontario Ministry of Agriculture and Food, *Women in Rural Life: The Changing Scene*, (Toronto: 1984).

[31] Jane Beach and Laurel Rothman, *A Study of Work-Related Day Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E.

[32] British Columbia, Saskatchewan and Newfoundland do not permit group infant care.

## Chapter 4

[1] Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns about Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E, p. 47.

[2] Ruth Schwartz, *More Work for Mother*, (New York: Basic Books Inc., 1983), pp. 192-216.

[3] James E. Martin and Ronald F.C. Kourany, M.D. "Child Abuse and Adolescent Babysitters," *Child Abuse and Neglect*, Vol. 4, 1980, p. 18.

[4] Odawa Native Friendship Centre, "Brief to the Task Force on Child Care," October 1984.

[5] Susan Hammerman, Secretary General, Rehabilitation International, quoted in "Brief to the Task Force by Canadian Rehabilitation Council for the Disabled," October 1984, p. 9.

[6] Karen Mock, "Early Childhood Education in a Multicultural Society," *Multiculturalism*, Vol. V., No. 4, 1982, p. 4.

[7] Brief to the Task Force on Child Care by the Children's Aid Society of Metropolitan Toronto, October 1984.

[8] Mock, p. 4.

[9] Cyril Greenland, "Preventing Child Abuse and Neglect Deaths: The Identification and Management of High Risk Cases," A paper presented to the Fifth International Congress on Child Abuse and Neglect, Montreal, September 1984, pp. 5-8.

[10] Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns about Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E; Laura Climenko Johnson, *Who Cares? A Report of the Project Child Care Survey of Parents and Their Child Care Arrangements*, (Toronto: Social Planning Council of Metropolitan Toronto, November 1977); Harvey Stevens, *Child Care Needs and Realities in Winnipeg — 1984: A Report for the Manitoba Child Care Association*, (Winnipeg: Social Planning Council of Winnipeg, 1984); Donna S. Lero, *Factors Influencing Parents' Preferences For, and Use of Alternative Child Care Arrangements for Preschool Age Children*, (Guelph: University of Guelph, College of Family and Consumer Studies, 1981); Guy Pelletier, *Faire garder nos enfants. . . Un enquête sociologique réalisée aupres de parents d'enfants d'âge préscolaire de la Rive-sud de Montréal*, (Montréal: Université de Montréal, 1983).

[11] Lero et al., (1985), p. 73.

[12] Johnson, p. 223.

[13] Lero, (1981), p. 97.

[14] Lero, (1981), p. 99.

[15] Stevens, pp. 52-53.

[16] Chapter 6 examines the indicators of good care identified by child care specialists.

[17] Lero et al., (1985), Table 14, p. 78.

[18] In the Task Force survey, although both parents were present during approximately 20 per cent of the interviews, the mother was considered the chief respondent, unless none was present in the family. Thus, the preferences determined from this survey are the preferences of mothers. The sample included six single-parent fathers, all of whom were employed full-time. These six fathers are considered "mothers" for purposes of Table 4.4 and this discussion. We do not know the extent to which fathers would rank the evaluative criteria differently or express different preferences from those of their wives.

[19] Respondents in this survey included parents working full- and part-time, homemakers and unemployed parents. Only five per cent of respondents were fathers.

[20] Pelletier, p. 46.

[21] Pelletier, p. 100.

[22] Lero et al., (1985), p. 39.

[23] Lero et al., (1985), p. 65-66.

[24] Johnson, p. 231.

[25] Lero, (1981), p. 57.

[26] Stevens, p. 52.

[27] Stevens, p. 54.

[28] Pelletier, p. 130.

[29] Johnson, pp. 69 and 228.

[30] Stevens, p. 53.

[31] Lero et al., (1985), p. 74.

[32] Johnson, p. 225.

[33] Lero, (1981), pp. 88-89.

[34] Lero, (1981), pp. 91-93.

[35] Pelletier, p. 50.

[36] Pelletier, p. 54.

[37] Lero et al., (1985), Table 22, p. 94.

[38] Lero et al., (1985), Table 22, p. 94.

[39] Margrit Eichler, *Families in Canada Today: Recent Changes and their Policy Consequences*, (Toronto: Gage Publishing Limited, 1983), p. 183.

[40] Meredith Edwards, "Financial Arrangements within Families: Empirical Results and Tax Implications," *Women and Taxation, Proceedings of the Women and Taxation Conference, Melbourne, June, 1981*, Status of Women Committee, United Nations Association of Australia, 1981.

## Chapter 5

[1] Patti Schom-Moffatt, *The Bottom Line: Wages and Working Conditions of Workers in the Formal Day Care Market*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

[2] Suzanne Bouchard, *Garder chez soi les enfants des autres: Profil des gardiennes reconnues par les agences de service de garde en milieu familial au Québec en 1982*, Gouvernement du Québec, Office des services de garde à l'enfance, 1982. Of 203 caregivers accredited by a recognized family home child care agency in Quebec and actually taking care of children in January 1982, 198 were sent questionnaires. Of this number, 122 questionnaires were eventually returned sufficiently completed to be used in the study. This group, therefore, constitutes a fairly representative sample of licensed family home caregivers in the province of Quebec.

[3] Nancy Miller Chenier, *The Informal Child Care Market: Public Policy for Private Homes*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E, pp. 158-160.

[4] Harvey Stevens, *Child Care Needs and Realities in Winnipeg — 1984: A Report for the Manitoba Child Care Association*, (Winnipeg: Social Planning Council of Winnipeg, 1984).

[5] Guy Pelletier, *Faire garder nos enfants... Une enquête sociologigue réalisé aupres de parents d'enfants d'âge préscholaire de la Rive-sud de Montréal*, (Montréal: Université de Montréal, 1983).

[6] Donna S. Lero, *Factors Influencing Parents' Preferences For, and Use of Alternative Child Care Arrangements for Preschool Age Children*, (Guelph: University of Guelph, College of Family and Consumer Studies, 1981).

[7] Laura Climenko Johnson, *Who Cares? A Report of the Project Child Care Survey of Parents and Their Child Care Arrangements*, (Toronto: Community Day Care Coalition and the Social Planning Council of Metropolitan Toronto, November 1977).

[8] Laura Johnson and Janice Dineen, *The Kin Trade, The Day Care Crisis in Canada*, (Toronto: McGraw-Hill Ryerson, 1981).

[9] Miller Chenier, p. 154.

[10] This situation may change in the near future. Two groups of family home caregivers in Ontario who are affiliated with licensed agencies have sought a ruling from the Ontario Labour Relations Board to declare them employees eligible to join the Ontario Public Service Employees Union. A decision is expected in late 1985 or early 1986.

[11] Information supplied by the Women's Bureau, Labour Canada, May 1985.

[12] Paid vacation is a statutory requirement in all provinces, and if some workers do not receive this benefit their employers would be violating provincial law.

[13] Delia J. Power and Mona G. Brown, *Child Care and Taxation in Canada, Who Pays?*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, pp. 69-70, 81.

[14] Canadian Commission for the International Year of the Child 1979, *For Canada's Children*, (Ottawa: 1979), p. 29.

## Chapter 6

[1] For a good résumé of the historical evolution of non-parental child care, see the report prepared for the Task Force on Child Care, by Nancy Miller Chenier and Dorothy LaBarge, *Toward Universality: An Historical Overview of the Evolution of Education, Health Care, Day Care and Maternity Leave*, and in particular, Section 5, "The Evolution of Day Care," (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E.

[2] Steen B. Esbensen, *The Effects of Day Care on Children, Families and Communities: A Review of the Research Findings*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E. This report provides a good review of the research that has been done in this area.

[3] Carew, 1979, cited in Esbensen, p. 200.

[4] The terms *good* and *quality* are used synonymously in this chapter. To make the discussion throughout the chapter more precise, we have used the term *quality* throughout this chapter to mean child care that has the necessary qualities to foster the healthy development of children and their families.

[5] Much of the material in this chapter is based on the report on child care quality prepared for the Task Force on Child Care by Donna S. Lero and Irene Kyle, *Day Care Quality: Its Definition and Implementation*, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E. Quotations, unless otherwise indicated, are taken from this report.

[6] Lero and Kyle, pp. 88-89.

[7] Esbensen, pp. 196-197.

[8] National Day Care Study, cited in Lero and Kyle, p. 98.

[9] Jones and Kritchevsky 1967, cited in Lero and Kyle, p. 100.

[10] U. Bronfenbrenner 1979, cited in Lero and Kyle, p. 101.

[11] G. Morgan, "Can Quality Family Day Care be Achieved Through Regulation?," *Advances in Early Education and Day Care*, ed. S. Kilmer, (Greenwich; Conn.: JAI Press Inc., 1980), p. 12, cited in Lero and Kyle, p. 102.

[12] S. Fosburg and P. Hawkins, *Final Report of the National Day Care Home Study*, (Cambridge, Mass.: Abt Books), Vol. 1, cited in Lero and Kyle, p. 105.

[13] Fosburg and Hawkins, cited in Lero and Kyle, p. 106.

[14] D. L. Peters, *Day Care Homes: A Pennsylvania Profile*, Centre for Human Services Development, (Pennsylvania: Pennsylvania State University, 1972), Report No. 18; and L.P. Wandersman, "Ecological Relationships in Family Day Care," *Child Care Quarterly*, 4(3), pp. 141-149, cited in Lero and Kyle, p. 106.

[15] M. Rauch and D. Crowell, *Infant Satellite Nurseries: Family Day Care With A Difference*, Centre for Studies of Child and Family Mental Health, Report No. 4, (Rockville, Maryland: 1978), cited in Lero and Kyle, p. 107.

[16] Lero and Kyle, pp. 115-120.

[17] WATCH of Manitoba developed for its members a 1985 Planning Calendar and Record Keeper for family child care providers. It includes monthly program ideas, planning calendar, attendance, expense and income record forms. In 1986 the calendar will be available for sale to non-members. Contact WATCH of Manitoba, 382 Riverton Avenue, Winnipeg, Manitoba, R2L 0N7.

[18] It should be noted that our consultations in various cities were particularly helpful in clarifying our position on and understanding of this matter.

## Chapter 7

[1] Newfoundland does not allow children under two years in centres, and Saskatchewan and British Columbia do not allow children under 18 months.

[2] All jurisdictions except Nova Scotia, Newfoundland and the Northwest Territories have such provisions.

[3] However, by August 1985, 14 *community day care homes* had been approved under the 1983 regulations. These homes are not affiliated with a supervising agency and are authorized by a "certificate of approval."

[4] Although these homes are called *satellite* homes, their licensing and supervision is different from that of the satellite homes in Alberta, where the term is used to refer to homes operated through day care home agencies.

[5] Tamra L. Thomson, *Enforcement of Provincial Day Care Standards*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E. This paper is the basis of this section and provides detailed information on enforcement in each province.

## Chapter 8

[1] Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, p. 169.

[2] The information contained in this part is derived principally from a report prepared for the Task Force by Delia J. Power and Mona G. Brown, *Child Care and Taxation in Canada, Who Pays?*, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

[3] Source: Tax Policy Branch, Department of Finance Canada.

[4] Starting in the 1986 taxation year, the Quebec government will allow families that incur child care expenses to claim larger deductions. These changes are described in a subsequent section of this chapter.

[5] This is because a *tax deduction* is an amount that a taxpayer deducts *in computing his or her taxable income*. A reduction in taxable income results in a reduction in federal and provincial taxes payable, but the value of that deduction to the claimant is the tax dollars saved by claiming it. As will be seen again later in this chapter, the value is different for different taxpayers, depending on the marginal rate of tax that would otherwise have been payable on that income. For example, a taxpayer with a 30 per cent marginal rate of tax will save $90 in tax if granted a deduction of $300. A taxpayer with a lower income, whose marginal rate is 20 per cent, would save only $60, given the same deduction of $300. Inevitably the taxpayer's saving is substantially less than the amount allowed as a deduction in computing income.

A *tax credit*, on the other hand, is an amount deducted *in computing the amount of tax payable* by the taxpayer. In other words, a tax credit actually reduces, dollar-for-dollar, the amount of tax that must be paid. Hence, a tax credit of $100 would have a value of $100 to all taxpayers owing $100 or more in total taxes, regardless of their income. Tax filers whose incomes are so low that no tax is payable (under $6700 for a single individual in Ontario), cannot benefit from a tax credit unless it is a "refundable" credit, which is designed specifically for this purpose.

[6] Source: Department of Finance, Government of Quebec.

[7] In 1984, the Availability Allowance was claimed by 388 000 tax filers in Quebec. Statistics Canada estimates that in the same year there were 417 000 Quebec women with children under six years of age, of whom 178 000 were employed and 239 000 were unemployed or not in the labour force (Labour Force Annual Averages 1984). Thus, the overall claim rate for the Availability Allowance appears to be 93 per cent, and we can conclude that approximately 57 per cent of the claims were made by women who were not employed, and 43 per cent by those who were employed.

[8] Unless otherwise stated, references throughout are to the rates and brackets in 1984.

[9] Provincial tax rates in 1984, expressed as a percentage of federal tax payable, were: British Columbia 44%, Alberta 43.5%, Saskatchewan 51%, Manitoba 54%, Ontario 48%, New Brunswick 58%, Nova Scotia 56.5%, Prince Edward Island 52.5%, Newfoundland 60%, Yukon 45% and Northwest Territories 43%.

[10] Average incomes used in this and all subsequent calculations are based on 1985 average incomes provided by the Quantitative Analysis Division, Health and Welfare Canada. See Chapter 1, Table 1.1. We have deflated the 1985 averages by 4.4 per cent to provide approximate 1984 average incomes. For purposes of all calculations we assume that, when both parents are earners, one earns two-thirds of the family income and the other one-third.

[11] The proportion of total families is based on unpublished census data (1980 incomes), inflated to 1984 using the Consumer Price Index.

[12] At $550, the Child Care Expense Deduction provided approximately 16 per cent of the 1985 annual average cost of care for preschool-aged children, and 25 per cent of average annual fees for children aged 6 to 12.

[13] Statistics Canada, *Initial results from the 1981 survey of child care arrangements*, Labour Force Survey Research Paper Number 31, (Ottawa: 1982), p. 16.

[14] Revenue Canada Taxation, *Taxation Statistics: 1983 Edition, Analyzing the Returns of Individuals for the 1981 Taxation Year,* (Ottawa: 1983), p. 210.

[15] Donna S. Lero et al., *Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 5, Catalogue No. SW43-1/5-1985E, p. 98.

[16] Correspondence between Perrin Beatty, Minister, Revenue Canada and Dr. Katie Cooke, Chairperson, Task Force on Child Care, January 29, 1985.

[17] The Health and Welfare 1985 Aged Data Base indicates that there were some 2.3 million families with children under 12 in Canada in 1985 whose principal source of income was employment or self-employment earnings; both parents were employed in 1 175 000 of these families, and another 175 000 families were led by employed single parents. One parent was employed in 907 000 families.

[18] Based on a survey of fees for child care services conducted for the Task Force. Results are presented in a subsequent section of this chapter.

[19] An estimate provided by the Social Services Programs Branch, Health and Welfare Canada.

[20] Estimated actual expenditures provided by the Training Branch, Labour Market Development Division, Employment and Immigration Canada.

[21] Information in this section is derived from an unpublished study conducted for the Task Force by Diane Bays, "Day Care Services for Status Indians Residing on Reserves."

[22] Single parents may claim the equivalent to married exemption ($3470 in the 1984 taxation year) for one of their children.

[23] Department of Finance Canada, "A New Direction for Canada: An Agenda for Economic Renewal," November 8, 1984, pp. 61-79.

[24] Social Planning Council of Metropolitan Toronto, *Social Infopac*, Volume 3, No. 5, November 1984. The costs included are designed to provide for the health, comfort and social well-being of a typical child in the Toronto area, excluding luxuries and unusual expenses.

[25] Estimate provided in a brief presented by the Quebec Coalition for Family Allowances to the Legislative Committee on Bill C-70.

[26] National Council of Welfare, *Giving and Taking: The May 1985 Budget and the Poor*, July 1985, (Ottawa: Minister of Supply and Services Canada, 1985), Catalogue No. H68-16/1985E, p. 32.

[27] Information in this section is derived principally from two reports prepared for the Task Force: Monica Townson, *Financing Child Care Through the Canada Assistance Plan*, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, and Christine Blain, *Government Spending on Child Care in Canada*, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E.

[28] See notes 3, 4, 5 and 6 for sources and additional information.

[29] The turning and break-even points applicable in Newfoundland since September 1, 1985 are: $747 and $1247 for a single parent with one child; $777 and $1287 for a single parent with two children; $807 and $1317 for a couple with one child; and $837 and $1347 for a couple with two children.

[30] Blain, p. 176. Calculations assume that the children were placed in licensed child care at the average prevailing prices for child care in the province. Average prices were derived from a survey conducted for the Task Force. In these provinces eligible families that placed their children in centres or licensed family homes that charged less than average prices would have made smaller contributions to the cost of their children's care.

[31] Townson, p. 18.

[32] Children in these families are placed in child care when it is determined that they require special developmental care or are in need of protection.

[33] Blain, p. 194.

[34] Blain, p. 176.

[35] Blain, p. 176.

[36] Alberta, New Brunswick, Prince Edward Island, Yukon and the Northwest Territories do not provide such grants.

[37] Townson, pp. 9-10.

[38] Newfoundland, Yukon and the Northwest Territories have yet to develop such a program.

[39] Ten per cent of the total population of children under 13. The Canadian Rehabilitation Council for the Disabled reports that estimates of the proportion of the general population that suffers from a disabling or handicapping condition range from 7 to 14 per cent.

[40] Tamra L. Thomson, *Municipal Initiatives in Child Care*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, p. 153. This paper provides the information on municipal involvement in child care used here.

[41] Total federal spending in Table 8.6 ($216.1 million) does not match the total in Table 8.1 ($224.4 million) for two reasons. First, INAC contributions to centres on Indian reserves have been excluded from Table 8.6. Secondly, Table 8.6 is

based on information obtained from provincial governments on the portion of their spending in 1984-5 that was cost-shared by the federal government under C.A.P. in the same year, whereas the figure for federal spending on C.A.P. reported in Table 8.1 includes reimbursement under C.A.P for provincial spending in the previous years.

[42] See Chapter 4, Table 4.2.

[43] DPA Group Inc., *National Day Care Costing Model*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E, Table 1, p. 80.

[44] Rubin Todres Consultants Ltd., "The Price of Child Care in Canada: A National Survey," A report prepared for the Task Force on Child Care, (Ottawa: December 1984). The territories were not included in the survey. However, when the Task Force visited Frobisher Bay, Northwest Territories, in September 1984, it learned that the "going rate" for unlicensed family home care in that community was $80-$100 per week, well above the national average in southern Canada for comparable care. No licensed care was available in Frobisher Bay.

[45] In Ontario, the sample includes only five per cent of licensed centres.

[46] Calculations were made separately for each province and territory, based on a 40-hour week for 52 weeks at the prevailing minimum wage rate in 1984. Minimum hourly wages in 1984 were as follows: for workers employed in enterprises under federal jurisdiction: $3.50 ($7280 per annum); British Columbia $3.65 ($7592); Alberta $3.80 ($7904); Saskatchewan $4.25 ($8840); Manitoba $4.00 ($8320); Ontario $4.00; Quebec $4.00; New Brunswick $3.80; Nova Scotia $3.75 ($7800); Prince Edward Island $3.75; Newfoundland $3.75; Yukon $3.60 ($7488); and Northwest Territories $4.25.

[47] 1984 average incomes are based on 1985 average incomes provided by the Quantitative Analysis Division, Health and Welfare Canada. See note 9.

[48] Blain, pp. 190-230.

[49] Blain, pp. 190-230.

[50] After September 1, 1985, single parents earning minimum wage were eligible for full subsidy in Newfoundland. See note 28.

[51] Blain, p. 170.

## Chapter 9

[1] Steen B. Esbensen, *The Effects of Day Care on Children, Families and Communities: A Review of the Research Findings*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E. This report provides a good review of the research that has been done in this area.

[2] Margrit Eichler, *Families in Canada Today: Recent Changes and their Policy Consequences*, (Toronto: Gage Publishing, 1983), p. 254.

[3] M. Resnick, M.D., *Proceedings of the Subcommittee on Early Childhood Experiences as Causes of Criminal Behaviour*, Second Session, 1A:83-84, cited in Standing Senate Committee on Health, Welfare and Science, *Child at Risk*, (Ottawa: 1980), Catalogue No. YC17-304/2-01E, p. 47.

[4] Brief presented to the Task Force by Women For Survival in Agriculture, October 1984.

[5] M. van Stolk, *Proceedings of the Subcommittee*, Third Session of the Thirtieth Parliament, 1977-1978, 9:20, cited in *Child at Risk*, p. 39.

[6] Lawrence J. Schweinhart and David P. Weikart, "Evidence that Good Early Childhood Programs Work," *Phi Delta Kappan*, April 1985, Vol. 66, No. 8.

[7] Perry Preschool Program, cited in Schweinhart and Weikart, p. 552.

[8] Esbensen, p. 198.

[9] Statistics Canada, *Initial results from the 1981 survey of child care arrangements*, Labour Force Survey Research Paper No. 31, (Ottawa: Supply and Services Canada, 1982).

[10] United States Commission on Civil Rights, *Child Care and Equal Opportunity for Women*, Clearinghouse Publication No. 67, (Washington: June 1981), p. 11.

[11] Commission of Inquiry Into Part-Time Work, *Part-time Work in Canada*, (Ottawa: Labour Canada, 1983), Catalogue No. L31-45/1983E, p. 21.

[12] Results of the cost-benefit analysis of the Perry Preschool Program, cited in Schweinhart and Weikart, Table 2, p. 552.

[13] Statistics Canada, *Consolidated Government Finance, 1980 and 1981*, (Ottawa: Supply and Services Canada, 1985), Catalogue No. 68-202; *Federal Government Finance, 1982*, (Ottawa: Supply and Services Canada, 1985), Catalogue No. 68-211; *Provincial Government Finance, 1982*, (Ottawa: Supply and Services Canada, 1985), Catalogue No. 68-207; *Local Government Finance, 1982*, (Ottawa: Supply and Services Canada, 1985), Catalogue No. 68-204.

## Chapter 10

[1] Nancy Miller Chenier and Dorothy LaBarge, *Toward Universality: An Historical Overview of the Evolution of Education, Health Care, Day Care and Maternity Leave*, A report prepared for the Task Force on Child Care, (Ottawa: 1984), Series 2, Catalogue No. SW43-1/2-1985E.

[2] Douglas A. Lawr and Robert D. Gidney, *Educating Canadians: A Documentary History of Public Education*, (Toronto: 1973).

[3] Miller Chenier et al., p. 8.

[4] Miller Chenier et al., p. 10.

[5] Alison Prentice, *The School Promoters: Education and Social Class in Mid-Nineteenth Century*. (Toronto: 1977), cited in Miller Chenier et al., *Toward Universality*, p. 10.

[6] Lawr and Gidney, p. 51.

[7] J. Donald Wilson, Robert M. Stamp, Louis-Philippe Audet, *Canadian Education: A History*, (Scarborough: 1970), p. 330.

[8] Secretary of State, *Support to Education by The Government of Canada*, (Ottawa: 1983).

[9] Eugene Forsey, "Health Insurance — What Has Been Said," *Canadian Welfare*, (March 15, 1982), p. 39, cited in Miller Chenier et al., pp. 15-16.

[10] Registered Indians, members of the Armed Forces and the R.C.M.P., and penitentiary prisoners are covered under direct federal programs.

[11] James E. Bennett and Jacques Krasny, "Health Care in Canada," David Coburn, Carl D'Arcy, Peter New and George Torrance, *Health and Canadian Society*, (Toronto: 1981).

[12] Miller Chenier et al., p. 19.

[13] National Council of Women of Canada, *Women of Canada: Their Life and Work*, (Ottawa: 1900), reprinted 1975, cited in Miller Chenier et al., p. 21.

[14] Miller Chenier et al., p. 24.

[15] Canadian Council on Social Development, *Day Care: Report of a National Study*, cited in Miller Chenier et al., p. 25.

[16] Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, p. 177.

[17] Kathleen Archibald, *Sex and the Public Service*, (Ottawa: Information Canada, 1973), p. 16, cited in Miller Chenier et al., p. 19.

[18] Monica Townson, *A National System of Fully-Paid Parental Leave for Canada: Policy Choices, Costs and Funding Mechanisms*, (Ottawa: Women's Bureau, Labour Canada, 1983), p. 34, cited in Miller Chenier et al., p. 19.

[19] Miller Chenier et al., p. 28.

[20] *Report of the Commission on Equality in Employment*, Judge Rosalie S. Abella, Commissioner, (Ottawa: Supply and Services Canada, 1984), Catalogue No. MP43-157/1-1984E, p. 180.

## Chapter 11

[1] Monica Townson, *Paid Parental Leave Policies: An International Comparison, With Options For Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E.

[2] This unpublished survey was conducted by the Department of External Affairs through our High Commissions and Embassies overseas, using a questionnaire designed by the Task Force on Child Care. It was carried out by External Affairs personnel in 22 countries between September and December 1984. The 12 countries profiled in this chapter were selected on the basis of completeness of available information.

[3] William Meyers, "Child Care Finds A Champion in the Corporation," *New York Times*, August 4, 1985, p. 3.

[4] William Meyers, *New York Times*, p. 3.

[5] The jurisdictions regulating maternity leave are the federal jurisdiction, all 10 provinces and Yukon Territory. Of these, only British Columbia, Newfoundland and New Brunswick presently specify exactly when the leave may be taken. For a fuller discussion, readers are referred to Chapter 2 of this report.

[6] See Chapter 2 for further discussion of the level of benefits under the Unemployment Insurance program.

[7] Sheila B. Kamerman, *Maternity and Parental Benefits and Leaves: An International Review*, (New York: Centre for Social Services, Columbia University, 1980), p. 42.

[8] Monica Townson, pp. 15-16.

## Chapter 12

[1] Sheila B. Kamerman, "Child Care and Family Benefits Policies in Six Industrialized Countries," *Monthly Labour Review*, November 1980, p. 24.

[2] Sheila B. Kamerman, "Managing Work and Family Life: A Comparative Policy Overview," *Work and the Family*, Peter Moss and Nickie Fonda, eds., (London: Temple Smith, 1980), pp. 87-109.

[3] Task Force on Child Care Survey.

[4] Sheila B. Kamerman and Alfred J. Kahn, *Child Care, Family Benefits, and Working Parents*, (New York: Columbia University Press, 1981), p. 90.

[5] Unless otherwise specified, the information for this section was obtained from the Task Force Survey.

[6] Government of Austria, *National Report (Austria)*, transmitted by the Government of Austria to the ECE Seminar on the Economic Role of Women, (Vienna: October 1984), (ECE/SEM.6/R.1/ADD.8 RESTRICTED), p. 5.

[7] Edith Krebs and Margarete Schwartz, "Family Policy As a Field," cited in Sheila B. Kamerman and Alfred J. Kahn, *Family Policy: Government and Families in Fourteen Countries*, (New York: Columbia University Press, 1978), p. 201.

[8] Equivalents in Canadian dollars are given where they were provided in the survey.

[9] Pavel Jenik, *The Czechoslovakia Educational System*, (Prague: Orbis Press Agency, 1980), p. 30.

[10] Jenik, p. 29.

[11] Ontario Ministry of Labour, Women's Bureau, *Workplace Child Care: A Background Paper*, (Toronto: January 1981), p. 6.

[12] Walter Vergeiner, "Explicit and Comprehensive Family Policy — Czechoslovakia," cited in Kamerman and Kahn, *Family Policy*, p. 97.

[13] Marsden Wagner and Mary Wagner, *The Danish National Child Care System*, (Colorado: Westview Press, 1976), pp. 99, 105.

[14] Wagner and Wagner, p. 69.

[15] Freda L. Paltiel, Nicole Allard, Danièle Meilleur, "Day Care for Children: International Perspectives, A background paper prepared for the Interdepartmental Committee on Day Care," Health and Welfare Canada, (Ottawa: November 1982), p. 16.

[16] Wagner and Wagner, p. 81.

[17] Wagner and Wagner, p. 101.

[18] Wagner and Wagner, p. 71.

[19] Wagner and Wagner, pp. 70-106.

[20] Danish Child Welfare Commission, *The Report from the Danish Child Welfare Commission*, (Copenhagen: 1981), p. 290.

[21] Linda English, *Day Care Services in Four European Countries*, (Ottawa: Library of Parliament, 1982), p. 7.

[22] Kamerman and Kahn, (1981), p. 114.

[23] Kamerman and Kahn, (1981), p. 116.

[24] Kamerman and Kahn, (1981), p. 114.

[25] Government of Finland, Ministry of Social Affairs, *Social Welfare in Finland*, (Helsinki: 1980), p. 25

[26] Government of Finland, p. 17.

[27] Kamerman and Kahn, (1981), p. 92.

[28] Kamerman and Kahn, (1981), pp. 86, 91.

[29] Paltiel et al., p. 13.

[30] Paltiel et al., p. 12.

[31] Kamerman and Kahn, (1981), p. 184.

[32] Kamerman and Kahn, (1981), p. 183.

[33] *The Employment of Women in the German Democratic Republic*, transmitted by the Government of the German Democratic Republic to the ECE Seminar on the Economic Role of Women, Vienna, October 1984, (ECE/SEM.6/R.3/ADD.3 RESTRICTED), p. 2.

[34] Government of the German Democratic Republic, p. 4.

[35] Kammerman and Kahn, (1981), p. 91.

[36] Monica Townson, *Paid Parental Leave Policies: An International Comparison, With Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E, p. 15.

[37] Kamerman and Kahn, (1981), p. 169.

[38] Government of the German Democratic Republic, p. 3.

[39] This region is referred to because it represents the only one on which information was available.

[40] In addition to the Task Force survey, the information in this section was obtained from: The Swedish Institute, *Fact Sheet on Sweden, Child Care Programs in Sweden*, (Stockholm: September 1984), p. 3.

[41] Kamerman and Kahn, (1981), pp. 180-181.

[42] Hilary Land and Roy Parker, "Implicit and Reluctant Family Policy: United Kingdom," cited in Kamerman and Kahn, *Family Policy: Government and Families in Fourteen Countries*, (New York: Columbia University Press, 1978), p. 358.

[43] Select Committee on Children, Youth, and Families, *Families and Child Care: Improving the Options*, (Washington: U.S. Government Printing Office, 1984), p. 4.

[44] Kamerman and Kahn, (1981), p. 110.

[45] Select Committee on Children, Youth and Families, p. 5.

[46] Kamerman and Kahn, (1981), p. 106.

[47] Sheila B. Kamerman, "Child Care Services: A National Picture," *Monthly Labour Review*, (December 1983), pp. 36-37.

[48] Kamerman, (1983), p. 37.

[49] Margaret Malone, *Child Day Care: The Federal Role*, Congressional Research Service, Library of Congress, (Washington: October 1984), pp. 10-15.

[50] Kamerman and Kahn, (1981), p. 149.

[51] Select Committee on Children, Youth and Families, p. viii.

[52] United States Commission on Civil Rights, *Child Care and Equal Opportunity for Women*, Clearing House Publication No. 67, (Washington: June 1981), p. 24.

[53] Sandra L. Burud, Pamela A. Aschbacher and Jacquelyn McCroskey, *Employer-Supported Child Care*, (Boston: Auburn House Publishing, 1984), pp. 5-6.

[54] Malone, p. 6.

[55] Kamerman and Kahn, (1981), pp. 185-187.

[56] Select Committee on Children, Youth and Families, p. viii.

[57] Kamerman and Kahn, (1981), p. 187.

[58] Malone, p. 5.

[59] Statistics Canada estimates that in 1984 there were 4 688 500 children under 13 years of age living in Canda.

[60] New Brunswick and Prince Edward Island have no public kindergartens.

[61] Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, p. 177.

[62] DPA Group, *National Day Care Costing Model*, A report prepared for the Task Force on Child Care, (Ottawa: 1984), Series 2, Catalogue No. SW43-1/2-1985E, Table 1, p. 80.

## Chapter 13

[1] A legal opinion prepared for the Task Force concluded that authority for an expanded federal role could also be derived from the power of the federal government to pass laws for the peace, order and good government of Canada. The opinion concluded that the argument in favour of jurisdiction under the spending power is the stronger of the two.

[2] Peter Hogg, *Constitutional Law of Canada*, (Toronto: The Carswell Company 1977), p. 71.

[3] Ruth Rose-Lizée, *A Proposal to Cost-Share Operating and Start-up Grants to Day-Care Centres: Ten Year Estimate of the Impact on Day-Care Spaces, Percentage of Need Met, Salaries, User Fees, Employment and Federal Expenditures*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E, Table 11, p. 255.

[4] "Towards a National Day Care Program: The Canada Day Care and Family Support Services Act," attachment to a letter from Muriel Smith, Minister of Community Services, Manitoba, to the Honourable Jake Epp, Minister of National Health and Welfare Canada, November 6, 1984.

[5] Christine Blain, *Government Spending on Child Care in Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 1, Catalogue No. SW43-1/1-1985E, p. 184.

[6] Michael Krashinsky, "Daycare and Public Policy," Economic Council of Canada, *Toward Equity: Proceedings of a Colloquium on the Economic Status of Women in the Labour Market*, (Ottawa: November 1984), p. 12.

[7] For an analysis of the value of the Deduction to families using unlicensed child care, see Chapter 8, Table 8.10.

## Chapter 14

[1] Statistics Canada, *The Labour Force*, (Ottawa: December 1984), Catalogue No. 71-001, Table 65A.

[2] 3-4 Geo. VI, c.36 (U.K.).

[3] *A.G. Canada* v. *A.G. Ontario (Unemployment Insurance)* [1937] A.C.355.

[4] Employment and Immigration Canada, *Unemployment Insurance in the 1980s*, (Ottawa: Supply and Services Canada, July 1981), Catalogue No. MP15-3/2-1981E, p. 67.

[5] Parliamentary Committee on Equality Rights, *Equality for All*, (Ottawa: 1985), p. 11.

[6] The Committee mentioned that various groups had suggested periods ranging from 4 to 8 weeks.

[7] Statistics Canada, unpublished estimates, cited in British Columbia's Women's Programs, "Self-Employment Trends in British Columbia, Focus on Women: 1975 to 1984," (Victoria: 1985).

[8] In 1984, 1 689 000 Canadians were employed part-time (less than 30 hours per week); 1 200 000 of these part-time workers were women. Statistics Canada, *The Labour Force*, (Ottawa: December 1984), Catalogue No. 71-001, Table 84, p. 120.

[9] Parliamentary Committee on Equality Rights, p. 101.

## Chapter 15

[1] Statistics Canada, *Current Deomgraphic Analysis: Fertility in Canada: From Baby-Boom to Baby-Bust*, A. Romaniuc, (Ottawa: November 1984), Catalogue No. 91-524E, pp. 77-83; Statistics Canada, *Population Projections for Canada, Provinces and Territories, 1984-2006*, (Ottawa: 1985), Catalogue No. 91-520.

[2] Statistics Canada, *Population Projections*.

[3] Carole Swan, *Technical Study No. 36: Women in the Canadian Labour Market*, A technical study prepared for the Task Force on Labour Market Development, (Ottawa: 1981), Catalogue No. MP15-4/36-1981E, p. 24.

[4] Economic Council of Canada, *People and Jobs*, 1976, cited in Swan, p. 24.

[5] In 1984 there were 171 654 licensed child care spaces in Canada, of which some 106 400 were in non-profit centres or sponsored family child care homes (21 460 infant spaces, 64 857 spaces for three-to-five-year-olds, 20 121 spaces for 6-to-12-year-olds). Assuming a growth rate of 13.5 per cent per year (the rate at which public and non-profit centre spaces increased between 1976 and 1984), 137 100 spaces would be eligible for the 4-2-1 grants in 1986, at a total cost to the federal government of $78.9 million. An additional $28.6 million would be required for an estimated 110 000 nursery school spaces (based on 10 per cent of the two-to-four-year-old population). The total expenditure would, therefore, be $107.5 million. If five per cent of the eligible licensed spaces serve handicapped children, the total cost of the program would increase by $3.6 million, to $111.1 million in 1986-7.

[6] Ruth Rose-Lizée, *A Proposal to Cost-share Operating and Start-up Grants to Day-care Centres: Ten Year Estimate of the Impact on Day*-care Spaces, Percentage of Need Met, Salaries, User Fees, Employment and Federal Expenditures, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E, Table 12, p. 257.

[7] See Appendix A, Table 3.

[8] Ruth Rose-Lizée, pp. 240-251. The key assumptions in this costing model are as follows: (1) annual rates of growth of child care spaces: from 1983-4 to 1986-7, 10 per cent for spaces serving children under 6 and 15 per cent for school-aged spaces; from 1987 to 1991, 25 per cent for infant spaces, 15 per cent for preschool spaces and 30 per cent for school-aged spaces; from 1991 to 1996, 22 per cent, 10 per cent and 25 per cent for spaces serving the three age groups; (2) five per cent annual growth rate in the core group (children whose parents work or study at least 20 hours per week); (3) per diem operating costs in 1986 for full-day programs (in 1984 dollars) ranging from $10 to $25, depending on the age group served; (4) an increase in real wages averaging 28 per cent between 1984 and 1996; and (5) the federal share comprises 27.5 per cent of total program costs.

[9] DPA Group Inc., *National Day Care Costing Model*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 2, Catalogue No. SW43-1/2-1985E, Table 2, p. 81. These estimates assume that child:staff ratios are set at quality standards, and caregivers receive salaries equal to those of nursing assistants. The estimates are expressed in 1984 dollars.

[10] DPA Group Inc., Table 3, p. 82. All estimates are expressed in 1984 dollars unless otherwise specified.

[11] Ruth Rose-Lizée, Table 12, p. 257.

[12] Ruth Rose-Lizée, Table 13, p. 259.

[13] Ruth Rose-Lizée, Table 13, p. 259.

[14] See Appendix A.

[15] DPA Group Inc., p. 82.

[16] Lawrence J. Schweinhart and David P. Weikart, "Evidence that Good Early Childhood Programs Work," *Phi Delta Kappan*, April 1985, Vol. 66, No. 8.

[17] The Perry Preschool Project, cited in Schweinhart and Weikhart, Table 1, p. 546.

[18] Early Training Project, cited in Schweinhart and Weikart, p. 549.

[19] Steen B. Esbensen, *The Effects of Day Care on Children, Families and Communities: A Review of the Research Findings*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 3, Catalogue No. SW43-1/3-1985E, p. 198.

[20] For a description of these programs see: Diane Tremblay, *Le travail partagé: essai d'interprétation de sa logique économique*, Mémoire présenté à l'Université du Québec à Montréal comme exigence partielle de la maîtrise en économique, July 1984.

[21] See Appendix A.

[22] William Meyers, "Child Care Finds a Champion in the Corporation," *New York Times*, August 4, 1985.

[23] Kim Chi Tran Van, *Etude sur les caractéristiques des travailleuses québécoises*, Gouvernement du Québec, ministère du Travail et de la Main-d'oeuvre, Centre de recherche et de statistiques sur le marché du travail, Etudes et recherches, February 1980, p. 116.

[24] Cited in Meyers.

[25] DPA Group Inc., Tables 1-3, pp. 80-82.

[26] Ruth Rose-Lizée, pp. 24-25.

[27] Ruth Rose-Lizée, pp. 24-25.

[28] DPA Group Inc., Table 2, p. 81.

[29] *A New Direction for Canada, An Agenda for Economic Renewal*, presented by the Honourable Michael H. Wilson, Minister of Finance, November 8, 1984, p. 71.

[30] Speech from the Throne to open the First Session Thirty-Third Parliament of Canada, November 5, 1984, p. 10.

[31] All tax expenditures provided by the Tax Policy Branch, Department of Finance Canada.

[32] Department of Finance Canada, *Tax Expenditure Account*, December 1979.

# APPENDICES

# Appendix A

## PROJECTIONS OF THE NUMBER OF PERSONS LIKELY TO CLAIM MATERNITY BENEFITS AND COST OF THE TASK FORCE PROPOSALS, 1990 AND 2000

Table 1 provides projections of the number of claims to be expected in 1990 and in the year 2000, given certain assumptions concerning the labour force participation of women, fertility rates and take-up rates for maternity benefits.

### TABLE 1

### Projections of the Number of Claimants

| Year | Participation Rate[a] (%) | Number of Births[b] | Potential Claimants[c] | Number of Claimants 50% | 65% | 75%[d] |
|---|---|---|---|---|---|---|
| 1983 | 68 | 373 000 | 254 000 | 127 000 | 165 000 | 191 000 |
| 1985 | 70 | 365 000 | 256 000 | 128 000 | 166 000 | 192 000 |
| 1990 | 76 | 331 000 | 252 000 | 126 000 | 164 000 | 189 000 |
| 2000 | 83 | 264 000 | 219 000 | 110 000 | 142 000 | 164 000 |

**Source:** Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E, p. 54.

**Notes:** [a] Participation rates are for women in the 25-to-34-year age group. (The average age at which a mother claims maternity benefits under the existing program is 27 years.) Rates for 1985 to 2000 are the higher of two projections from Dan Ciuriak and Harvey Sims, *Participation Rate and Labour Force Growth in Canada*, Department of Finance, April 1980, Table 15, p. 47.

[b] For 1983, the actual number of births is shown. Projections for 1985 to 2000 are from Statistics Canada, *Population Projections for Canada, Provinces and Territories, 1984-2006*, Catalogue No. 91-520. These projections assume that the fertility rate will continue to decline from the 1981 level of 1.7, to reach 1.4 by 1996, and stabilizing at that level thereafter. Net international migration is assumed to be 50 000 a year, slightly higher than the current level of about 46 000 annually.

[c] The number of potential claimants is calculated by multiplying the number of births by the participation rate.

[d] The percentages here refer to possible take-up rates and permit us to make upper and lower estimates of the likely number of claimants. The figures in this column are calculated by multiplying the number of potential claimants by the take-up rate.

Table 2 provides projections of the cost of the Task Force proposals according to various assumptions concerning take-up rates. This proposal implies a benefit level of 75 per cent of insured earnings for a period of 20 weeks in 1990 and a benefit level of 95 per cent of insured earnings for a period of 26 weeks in the year 2000.

However, not all additional costs require additional financing. Table 3 converts additional costs into requirements for an increase in contribution rates to the unemployment insurance fund. We have first subtracted, from the estimate of additional costs given in Table 2, that part of costs attributable to an increase in the labour force participation rate of women, which is not offset by a decrease in the labour force participation of men. We have also assumed that 50 per cent of people on parental leave will be replaced during 90 per cent of the period absent and that half of the replacements will have been drawing unemployment insurance, although at a rate somewhat below that of parental benefits. The reduced cost of regular unemployment benefits has therefore been subtracted from the additional cost requiring new financing.

## TABLE 2

## Projections of the Cost of the Task Force Proposals, 1990 and 2000

| | 1985 | 1990 | | | 2000 | | |
|---|---|---|---|---|---|---|---|
| **Take-up Rate**[a] | **50%** | **50%** | **65%** | **75%** | **50%** | **65%** | **75%** |
| Number of claimants (thousands) | 128 | 126 | 164 | 189 | 110 | 142 | 164 |
| Benefit rate (%) | 60 | 75 | 75 | 75 | 95 | 95 | 95 |
| Average weekly benefits (1985 $)[b] | 199 | 248 | 248 | 248 | 315 | 315 | 315 |
| Number of weeks | 15 | 20 | 20 | 20 | 26 | 26 | 26 |
| Total cost[c] (millions $) | 382 | 625 | 813 | 937 | 901 | 1 163 | 1 343 |
| Cost of present program[d] (millions $) | 382 | 376 | 376 | 376 | 328 | 328 | 328 |
| Additional cost (millions 1985 $) | – | 249 | 323 | 373 | 573 | 739 | 853 |

**Source:** Adapted from Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E, pp. 43-44.

**Notes:** [a] In 1985, unemployment insurance officials estimated the take-up rate to have been about 50 per cent. An increase in the take-up rate can be expected as a result of a reduction in the number-of-weeks-worked required for eligibility, better information, higher benefits, and stronger labour force attachment on the part of women.

[b] Average weekly benefits are calculated by multiplying the benefit level by average insurable earnings. In 1985, maximum insurable earnings were $460. It is assumed that the average insurable earnings of persons taking maternity leave will be 72 per cent of the maximum or $331 (based on experience from 1981 [75%] to 1983 [73%]). Since all figures are expressed in 1985 dollars, this figure is also used for 1990 and the year 2000.

[c] Total cost is calculated by multiplying the number of claimants by the average benefit by the number of weeks of benefits. All costs are expressed in 1985 dollars.

[d] Cost of the present program is based on 15 weeks of benefits at a 60 per cent benefit rate, with a 50 per cent take-up rate. The cost of the existing program is lower in 1990 and 2000 due to a decline in the number of births.

## TABLE 3

## Projections of Required Increases in Unemployment Insurance Premiums

| | 1990 | | | 2000 | | |
|---|---|---|---|---|---|---|
| **Take-up rates:** | **50%** | **65%** | **75%** | **50%** | **65%** | **75%** |
| **Costs Requiring an Increase in Contribution Rates** (millions of 1985 $) | | | | | | |
| Additional program costs ($) | 249 | 323 | 373 | 573 | 739 | 853 |
| Savings from increased labour force participation[a] ($) | (15) | (19) | (22) | (27) | (33) | (37) |
| Savings from reduced unemployment[b] ($) | (94) | (123) | (141) | (105) | (136) | (156) |
| Cost requiring increase in contribution rate ($) | 140 | 181 | 210 | 441 | 570 | 660 |
| **Increase in contribution rate required** (¢ per $100 of insured earnings) | | | | | | |
| Employee[c] | 4 | 5 | 6 | 12 | 16 | 18 |
| Employer[c] | 5 | 7 | 8 | 17 | 22 | 26 |
| Total | 9 | 12 | 14 | 29 | 38 | 44 |
| % increase over 1985 rate[d] | 1.7 | 2.1 | 2.6 | 5.1 | 6.8 | 7.7 |

**Notes:** [a] Part of the additional costs estimated in Table 3 stem from the increased labour force participation rate of women. However, these women will also contribute to the unemployment insurance fund. Only half of the amount of these new contributions is taken into account here, on the assumption that the increased labour force participation of women will be partly compensated by a decrease in labour force participation by men, as it has in the past few decades.

[b] We have assumed here that the effective length of paid parental leave will be 18 weeks on average in 1990 and 23 weeks in 1996. We have also assumed that 50 per cent of those on parental leave will be replaced by other workers, and that half of the replacements would otherwise have been drawing unemployment insurance benefits. We have also assumed that the replacements are more junior people and that their benefit levels are only $166 (as opposed to $248 in 1990 and $315 in the year 2000 for people on parental leave).

[c] According to estimates supplied by officials of Employment and Immigration Canada, an increase in employee premiums of five cents per $100 of insurable earnings, along with the resultant seven cents increase in employer premiums generates about $180 million in revenue for the Unemployment Insurance fund.

[d] In 1985, the contribution rate was $2.35 per $100 of insurable earnings for employees, and $3.29 for employers.

We consider the figures in Table 3 to overestimate the required increase in unemployment insurance premiums, in that we have not taken into account:

(1) the fact that average number of weeks of benefits will be less than the maximum allowed because some persons will take less than the maximum;

(2) a fairly high proportion of people who take paid leave will also take extended unpaid leave. To the extent that these people are replaced by persons who would otherwise be drawing regular Unemployment Insurance benefits, there is a savings to the Unemployment Insurance fund.

# Appendix B

## TASK FORCE RECOMMENDATIONS

1. We recommend that the federal, provincial and territorial governments jointly develop complementary systems of child care and parental leave that are as comprehensive, accessible and competent as our systems of health care and education.
2. We recommend that the federal government initiate the development of a nation-wide system of child care in Canada, by declaring its willingness to share a substantial portion of the cost of such a system, and initiating a new federal-provincial cost-sharing arrangement for child care.
3. We recommend that, while negotiations with the provincial and territorial governments are in progress, the federal government provide, as a show of good faith, a conditional grant to every province and territory. We recommend that the Minister of Finance announce in his next Budget Speech that the federal government will, beginning in the 1986-87 fiscal year, provide operating grants equal to:
   - $4 per day for each space serving an infant, disabled, or special-needs child;
   - $2 per day for each full-day space serving preschool-aged children and 6-to-12-year-olds when school is not in session;
   - $1 per day for each after-school and half-day preschool space.
4. We recommend that the grants be conditional upon agreement by provincial and territorial governments to forward the funds to licensed programs, in the differential amounts prescribed.
5. We recommend that all new financing initiated by the federal government be directed only to services that are licensed and monitored by provincial or territorial governments.
6. We recommend that the good faith grants and all direct child care funding subsequently proposed by us be limited to:

   (1) licensed centres that are operated by a branch of a provincial or municipal government or by a non-profit agency; and

(2) licensed family home child care programs in which individual caregivers are selected, sponsored and supervised by provincial or municipal government officials or a non-profit agency.

7. We recommend that the federal government authorize the Minister of Health and Welfare to offer, beginning in the 1986-7 fiscal year, the following amounts as contributions to the capital costs of creating new child care spaces: $400 per space for centre spaces serving children under 6, $200 per space for school-aged centre spaces and $100 for spaces in licensed family home care programs.

8. We recommend that, beginning in the 1986-7 fiscal year, the federal government offer capital contributions equal to 20 per cent of the cost of establishing each new child care space serving a handicapped or special needs child, whatever the level of those costs.

9. We recommend that Cabinet authorize the Minister of Health and Welfare to initiate negotiations with each of his provincial and territorial counterparts to replace the good faith conditional grants with a new cost-sharing arrangement. The objective of these negotiations should be to secure the agreement of each provincial and territorial government to fund, jointly with the federal government, one-half of the cost of providing child care programs within their boundaries.

10. We recommend that the federal government offer to fund up to 25 per cent of child care program costs in the wealthiest regions of the country, rising to 40 per cent of program costs in the poorest regions, provided that the provincial or territorial government concerned matches the federal funds with spending of its own equal to the 10 to 25 per cent required to bring public spending up to 50 per cent of program costs.

11. We recommend that the medium-term cost-sharing arrangement take effect separately in each province and territory as soon as the two levels of government reach agreement on it.

12. We recommend that the federal government offer to cost-share, on the same variable basis, the full amount of any special costs associated with providing care for handicapped children, whether the care is provided in an integrated or segregated setting.

13. We recommend that the federal government offer to extend the variable cost-sharing arrangement to cover the full start-up costs associated with the opening of new facilities and expansion of existing ones.

14. We recommend that the federal government use every means at its disposal to persuade provincial and territorial governments to make more subsidized child care spaces available within their boundaries.

15. We recommend that the federal government announce immediately that it will lift the current restriction, which limits C.A.P. funding to centres operating on a non-profit basis in those provinces that use an income test to determine eligibility.

16. We recommend that, once the medium-term cost-sharing agreements have been reached with all provinces and territories, the Canada Assistance Plan provisions applying to child care should be

subsumed under legislation that governs the new cost-shared financing. We recommend that the variable cost-sharing formula thereafter apply to child care subsidies based on income.

17. We recommend that new financing *not* take the form of tax relief, since it is our view that tax measures, in whatever form, cannot provide the basis for development of a child care system. However, in the short and medium term, we recommend that the Child Care Expense Deduction be continued, with present limits intact.

18. We recommend that the Minister of Revenue issue guidelines clarifying the business expenses that may be claimed by self-employed caregivers and publish the same in a booklet for family home child care providers, together with a specially designed balance sheet for use by them in completing their income tax returns.

19. We recommend that the federal government undertake to appoint a Task Force in the year 1996 to review progress in the development of the child care system, with a view at that time, to extending public funding to cover the *full* cost of child care programs.

20. We recommend that the Minister of Finance announce in his next Budget Speech that all capital costs of child care facilities incurred either by employers on behalf of employees, or by owners of revenue producing property shall form a new and separate class of depreciable property under the Income Tax Act, with a capital cost allowance rate of 100 per cent. Furthermore, we recommend that recent amendments to the Income Tax Act, which restricted to 50 per cent the eligible capital costs of assets acquired in the year, be waived in the case of child care facilities, so that the full allowance may be taken as a deduction in the year in which the cost is incurred.

21. We recommend that the Minister of Revenue articulate, as soon as possible, the following guidelines for taxation of child care benefits to employees: that the provision by an employer of a child care benefit to employees (whether in the form of cash payments, facilities or services) should *not* be considered a taxable benefit so long as:

    1. the services are provided in a licensed child care program; and
    2. the benefit is available to all employees, of whatever rank, within the employer's organization, whether or not all such employees avail themselves of the benefit.

22. We call upon the federal government to provide an example to other Canadian employers by announcing a policy of establishing child care centres in federal government buildings wherever numbers warrant.

23. We recommend that new resources be provided to departments to fully equip these new centres.

24. We recommend that Cabinet direct the Minister of National Defence to establish licensed child care programs on each Canadian armed forces base in Canada and abroad, and to provide at least the same level of financing to these programs as is provided for other government employees.

25. We recommend that when a member of the armed forces, who is also a single parent, is serving in a capacity that requires him or her to be separated from his or her children, the Department of National Defence underwrite the *full* cost of care for that member's children during the period of duty.

26. We recommend the Canada Employment and Immigration Commission be directed to give priority and increased resources to programs that provide specialized training for child care staff.

27. We recommend that the Secretary of State direct the Social Sciences and Humanities Research Council to accord top priority to research projects related to the needs of families with children in the 1990s. In addition, we recommend that the Secretary of State, in cooperation with the Minister of National Health and Welfare, fund the creation, in universities across the country, of special Chairs on child development and family policy. At least one of these Chairs should be established in each province.

28. We recommend that the federal government offer to cost-share with provincial and territorial governments the cost of such essential activities as parent resource services, toy lending libraries, and child care information and referral services, as well as other specialized, innovative and experimental programs.

29. We recommend that the Prime Minister appoint a Minister Responsible for Children.

30. We recommend that the role of the National Day Care Information Centre at Health and Welfare Canada be expanded to become a national reference centre on child care.

31. We recommend that the Canada Labour Code be amended to reduce the qualifying period for parental leave to 20 weeks, to bring it into compliance with the qualifying period for benefits under the Unemployment Insurance program.

32. We recommend that birth and adoption benefits continue to be provided through the vehicle of the Unemployment Insurance program.

33. We recommend that the proposed birth and adoption benefits be financed entirely from the employer-employee account, as maternity benefits are today.

34. We recommend that the duration and level of birth and adoption benefits be increased, in two steps, as follows:
    - within 5 years, a benefit increase to 75% of maximum insurable earnings, and an extension of paid leave to 20 weeks;
    - within 10 years, an increase in the benefit rate to 95% of maximum insurable earnings, extending the duration of paid leave to 26 weeks.

35. We recommend that the leave commence as it now does, up to eight weeks before the birth, and be taken within the year following the event, with some flexibility allowed for the timing of the leave, upon negotiation with individual employers.

36. In recognition of the support required by the mother and other family members at the time of birth, we recommend provision of an additional five days' paid leave for the father during the period between the birth and the week after mother and child have returned from the hospital, at the same benefit rate.

37. We recommend that Section 59.2(a) of the *Canada Labour Code* be amended to permit either parent to take 26 weeks of leave on the birth or adoption of a child, or for the two parents to share the leave between them.

38. We recommend that birth and adoption benefits be made available to either parent, in recognition of the equal partnership of parents in meeting family responsibilities. We recommend that leave and benefits be shareable between the parents, who should be permitted to use them either concurrently or consecutively as long as the total does not exceed the 20/26 weeks set out above.

39. We recommend that the Unemployment Insurance Act be amended to delete application of the two-week waiting period to claims for birth or adoption benefits.

40. We recommend that parental benefits coverage under the Unemployment Insurance Act be extended to self-employed persons so that they may avail themselves of the benefits provided under the program.

41. We recommend that parental benefits coverage under the Unemployment Insurance Act be extended to part-time employees who work at least eight hours per week.

42. We object in principle to the surtax imposed on higher income claimants under the Unemployment Insurance Act, since it undermines the insurance function of unemployment benefits, and we recommend that it be eliminated from the Act.

43. We recommend that proportionate benefits be extended to claimants with at least 10 weeks' insurable employment.

44. We recommend that the Canada Labour Code be amended to provide that employees may extend their parental leave to up to a total of one year to care for young children.

45. We recommend that a minimum standard of five days' annual paid leave for family-related responsibilities be incorporated as a minimum standard in the Canadian Labour Code.

46. We recommend to the Parliamentary Committee on Child Care that it solicit input from groups representing the handicapped and parents of handicapped children as to how the needs of families with handicapped children can be adequately addressed within the context of a developing parental leave system.

47. We call upon the President of the Treasury Board to extend to all public servants, including members of the Armed Forces and groups unrepresented in the collective bargaining process, the same birth or adoption leave and benefits now provided to half of the employees of the government.

48. We recommend that fathers and adopting parents become eligible for the post-natal leave and benefits provided to natural mothers in the Public Service.

49. In recognition of the shared responsibility of parents for child rearing, we recommend that, when both parents are public servants, they be permitted to share birth and adoption leaves between them.

50. We recommend that the five-year child care and nurture leave be extended to all public servants.

51. We recommend that the federal government extend a minimum of five days per year of family responsibility leave to all public servants.

52. We recommend that paid leave for the birth or adoption of a child be granted to Armed Forces personnel on the same terms as to other public servants.

53. We recommend, also, that the provision for care and nurture leave now applying to most public servants be extended to servicewomen and servicemen, as well as the provision for 5 days' annual leave for family-related responsibilities.

# Appendix C

## MEMBERS OF THE TASK FORCE ON CHILD CARE

*Katie Cooke, Chair*

Katie Cooke received her Ph.D. at Cornell University in 1965. She was Director of the Research Branch at Indian and Northern Affairs Canada from 1976 to 1981 and was the first president of the Canadian Advisory Council on the Status of Women, from 1973 to 1976.

Dr. Cooke's research has focused on three major issues: women's rights, Indian/white relations, and social change in Canada. She is a member of several professional associations, including the Canadian Sociology and Anthropology Association and the Canadian Research Institute for the Advancement of Women, and was President of the Social Science Federation of Canada from 1979 to 1980. She is currently a Visiting Scholar in the Sociology Department of the University of Victoria.

*Renée Edwards*

Renée Edwards received her teaching training as a kindergarten specialist from Homerton College, Cambridge, England, and worked in a variety of schools, nurseries and day care centres for almost 20 years. From 1970 to 1978, she was Director of Services for the Y.W.C.A. of Metro Toronto, where she developed and directed Focus on Change, a program for sole support mothers on welfare. She was, until recently, Executive Director of Victoria Day Care Services in Toronto.

Ms. Edwards received training in Adult Education from the Ontario Institute for Studies in Education and is an active volunteer in many women's organizations. As a working mother, she has also been a longtime user of child care.

*Jack R. London, Q.C.*

Jack London received his LL.B. from the University of Manitoba in 1966 and his LL.M. from Harvard University in 1971. He has practised law both with the Department of Justice in Ottawa and privately in Winnipeg. He is

Professor of Law at the University of Manitoba, where he was Dean of Law from 1979 to 1984. He is a recipient of the University's Stanton Award for Excellence in Teaching.

His principal fields of practice, teaching, and research include taxation, human rights, and the legal system. He has lived in and done comparative research in France. He is the author of, amongst many other publications, a major Federal Law Reform Commission study, *Tax and the Family*.

He has been a newspaper columnist on tax and social policy issues. In addition to his other activities, he is currently a freelance radio and television broadcaster. He is a Director of Manitoba Hydro, a member of the Canadian Human Rights Tribunal and is active in professional organizations and community work.

Mr. London is the husband of Belva and the father of two teenaged daughters, Lara and Rebecca.

*Ruth Rose-Lizée*

Ruth Rose-Lizée completed her undergraduate studies at the University of Chicago and did her M.A. and doctoral work in economics at the University of California at Berkeley. She has been a professor of economics at the University of Quebec in Montreal since 1970. In 1980, she helped establish Relais-Femmes, an association of women's organizations that furnishes research, educational material, and documentation to interested women's groups.

She has done extensive research with women's groups and unions, including a study on the cost of operating day care centres for Regroupement des garderies sans but lucratif du Québec.

Ruth Rose-Lizée is the mother of nine-year-old Charles, and has served on the finance committee or the governing board of two day care centres.

**STAFF**

*Executive Director*
Christine Blain

*Policy Analysts*
Diane Bays
Hélène Blais Bates
Pearl Downie
Karen Stotsky
Tamra Thomson

*Research and Writing Assistance*
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*Consultations/Information Services*
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*Design*
Miriam Bloom

The members of the Task Force on Child Care wish to thank the Task Force staff for their hard work, dedication, and enthusiasm through the various stages of the project. Without their efforts, this report would not have been possible.

# Appendix D

## BRIEFS SUBMITTED TO THE TASK FORCE

The following groups and individuals submitted briefs to the Task Force on Child Care:

Action Child Care
  Saskatoon, Saskatchewan

Agence de la garde-Petite Nation
  St-André Avellin, Québec

Alberta Association of Registered Nurses

Alberta Teachers' Association

Alberta Women's Institutes

Alberton, Lia
  Timmins, Ontario

Allerston, Christina
  Yellowknife, Northwest Territories

Allied Jewish Community Services of Montreal/Services communautaires juifs de Montréal

Anilniliak, Nancy
  Pangnirtung, Northwest Territories

Associates of the Institute of Family Living
  Toronto, Ontario

Association d'éducation préscolaire du Québec

Association des enseignants francophones du Nouveau-Brunswick

Association des femmes collaboratrices
  St-Lambert, Québec

Association féminine d'éducation et d'action sociale,
  Secteur de Drummondville

Association monoparentale
  Val D'or, Québec

Association of Municipalities of Ontario

Association of Universities and Colleges of Canada/Association des universités et collèges du Canada

Association québécoise des parents d'enfants handicapés visuels

Aux nids des joyeux marmots
  Matapédia, Québec

B.C. Pre-School Teacher's Association,
  Richmond-Delta Branch

B.C. Pre-School Teachers' Association

B.C. Task Force on Immigrant Women

Baffin Region Inuit Association

Baffin Women's Association

Bailey, Patricia
  Wingham, Ontario

Baird, Mary
  Murray River, Prince Edward Island

Ballantyne, Barbara
  Yellowknife, Northwest Territories

Barnes, Dr. David B.
  Sydney, Nova Scotia

Beyea, John and Dorothy
  Fredericton, New Brunswick

Biemiller, Andrew
  Toronto, Ontario

Big Sisters Association of Saskatoon

Birdtail Women for Action
  Birtle, Manitoba

Blackbourne, Mary
  Mississauga, Ontario

Boehner, Elizabeth
  Montagne, Prince Edward Island

Borden, Susan L.
  Toronto, Ontario

Brennan, Ninfa
  Dollard des Ormeaux, Québec

British Columbia Nurses' Union

British Columbia Provincial Women's Institute

British Columbia Women's Liberal Commission

Brownlee, Reverend Paul
  Frobisher Bay, Northwest Territories

Burke, Laura
  Sackville, New Brunswick

Business and Professional Women's Club of Ottawa

Cairns, Rosemary
  Yellowknife, Northwest Territories

Canadian Air Line Flight Attendants' Association/Association du personnel navigant des lignes aériennes canadiennes

Canadian Association for the Mentally Retarded, Prince Edward Island Division/Association canadienne pour les déficients mentaux, Chapitre de l'Île-du-Prince-Edouard

Canadian Association for Children and Adults With Learning Disabilities/Association canadienne pour enfants et adultes ayant des troubles d'apprentissage

Canadian Banker's Association

Canadian Committee on Early Childhood Inc./Organisation pour l'éducation préscolaire, Inc.

Canadian Congress for Learning Opportunities for Women, Halifax Committee

Canadian Day Care Advocacy Association/L'Association canadienne pour la promotion des services de garde à l'enfance

Canadian Day Care Advocacy Association, Prince Edward Island Division

Canadian Day Care Advocacy Association, Nova Scotia Division

Canadian Day Care Advocacy Association, Northwest Territories Division

Canadian Child Daycare Federation, Prince Edward Island Division

Canadian Diabetes Association/Association canadienne du diabète

Canadian Hearing Society/La société canadienne de l'ouïe

Canadian Institute of Child Health/Institut canadien de la santé infantile

Canadian Labour Congress/Congrès du travail du Canada

Canadian Manufacturers' Association/Association des manufacturiers canadiens

Canadian National Institute for the Blind, Prince Edward Island Division/Institut national canadien pour les aveugles, chapitre de l'Île-du-Prince-Édouard

Canadian Rehabilitation Council for the Disabled/Conseil canadien pour la réadaptation des handicapés

Canadian Society for the Prevention of Cruelty to Children/Société canadienne pour la prévention de la cruauté envers les enfants

Canadian Teachers' Federation/Fédération canadienne des enseignants

Canadian Union of Public Employees/Syndicat canadien de la fonction publique

Canadian Union of Public Employees, British Columbia Division

Canadian Union of Public Employees, Ontario Division

Canadian Union of Public Employees,
Prince Edward Island Division

Cape Breton Day Care Directors Association

Cape Breton Transition House

Casavechia, Sylvie
Sainte-Émélie de l'Énergie, Québec

Catholic Family Services
Calgary, Alberta

Catholic Family Services/Service familial catholique
Ottawa, Ontario

Catholic Women's League of Vermilion

Central Okanagan Day Care Society

Centre des femmes de Montréal

Centre québécois de ressources à la petite enfance

Cercles de fermières du Québec

Cerebral Palsy Association of Quebec Inc./Association de paralysie cérébrale du Québec inc.

Charlotte County Women's Association
St. George, New Brunswick

Children's Aid Society of Metropolitan Toronto

Children's Aid Society of Hamilton-Wentworth

Children's Centre
Ottawa, Ontario

Children's Centre, Staff of
Ottawa, Ontario

Children's Services Coordinating and Advisory Group of York Region

Chinese Neighbourhood Society/L'amitié chinoise de Montréal

Chvedukas, L.
Mississauga, Ontario

City of Vancouver, Mayor's Task Force on Day Care

Co-operative Workplace Day Care
Sarnia, Ontario

Coalition for Better Day Care
Windsor Branch

Collins, Christine
Frobisher Bay, Northwest Territories

Comité des services préventifs de Kapuskasing

Communications Workers of Canada/Syndicat des travailleurs en communication du Canada

Community Legal Services of Ottawa/Carleton/Clinique juridique communautaire d'Ottawa/Carleton

Conseil québécois des pré-maternelles coopératives

Coordinating and Advisory Group for Children's Services of Prescott and Russell/Groupe de consultation et de coordination des services aux enfants de Prescott et Russell

Côté, Marcel
  St-Rédempteur, Québec

Creston Valley Child Care Society
  Creston, British Columbia

Day Care Advisory Committee of Metropolitan Toronto

Dellinger, Marina
  Red Deer, Alberta

Dimotoff, Lyn
  Edmonton, Alberta

Early Childhood Development Association of Prince Edward Island

Early Childhood and Family Education Committee
  Carbonear, Newfoundland

Early Family Intervention Inc./ Intervention familial précose
  Moncton, New Brunswick

Easter Seal Society/Société du timbre de pâques

Ecole de Guillaume Vignal
  Brossard, Québec

Edmonton Immigrant Services Association

Elsworth, Lynn
  Charlottetown, Prince Edward Island

Etobicoke Comserv

Family and Children's Services
  Newmarket, Ontario

Family Care Workers of Ontario/ Travailleurs familiaux de l'Ontario

Family Day Care Services
  Toronto, Ontario

Family Service Association of Metropolitan Toronto

Federated Women's Institutes of Prince Edward Island/Instituts féminins de l'Ile du Prince Edward

Federated Women's Institutes of Canada/Instituts féminins du Canada

Federated Women's Institutes of Ontario/Instituts féminins de l'Ontario

Fédération des familles d'accueil du Québec

Fédération des femmes du Québec

Fédération des unions de familles inc.
  Montréal, Québec

Federation of Medical Women of Canada/Fédération des femmes médecins du Canada

Femmes acadiennes de Clare

Fernie Women's Resource Centre

Fife, Julia B.
  Barrhead, Alberta

Fire Marshall's Office, Frobisher Bay,
  Northwest Territories

Fort Smith Community Day Care
  Fort Smith, Northwest Territories

Fromley, J.
  Mississauga, Ontario

Garderie centre I.C.
  Montréal, Québec

Garderie coopérative rayon de soleil Champlain
  Québec, Québec

Garderie des petits travailleurs
  Montréal, Québec

Garderie la chanterelle
  Charlesbourg, Ontario

Garderie la jeune ronde
  Hull, Québec

Garderie Querbes Inc.
  Outremont, Québec

Gibson, Margie
  Halton Hills, Ontario

Glebe Parent's Day Care
  Ottawa, Ontario

Goldbloom, Dr. Victor
  Toronto, Ontario

Greggains, Joyce
West Hill, Ontario

Gryziak, Sandra

Hay River and Pine Point: Concerned Citizens of Northwest Territories

Health Sciences Centre Day Nursery
Winnipeg, Manitoba

Hill, Ruth E.
West Hill, Ontario

Holland College, Child Study Centre
Charlottetown, Prince Edward Island

Holmes, Mark
Ottawa, Ontario

Human Services of Scarborough, Women's Committee, Day Care Subcommittee

Igloolik Women's Association
Igloolik, Northwest Territories

Income Maintenance for the Handicapped Coordinating Group
Toronto, Ontario

Inter-Cultural Association of Greater Victoria

Interagency Council for Children
Kingston, Ontario

Inuit Women's Association of Pond Inlet, Northwest Territories

Jaggernath, Ruby
Burnaby, British Columbia

Jahn, Joan
Alliston, Ontario

Joamie, Alice
Apex, Northwest Territories

Junior League of Toronto

Kapuskasing Prevention Services Committee/Comité des services préventifs de Kapuskasing

Karp, Brenda
Calgary, Alberta

Kinderschool Alderian Nursery
Don Mills, Ontario

La Leche League, Prince Edward Island Branch

Lakeshore Area Multi-Service Project
Etobicoke, Ontario

Lakeshore Social Issues Group
Toronto, Ontario

Lambert-Brew, Linda
Frobisher Bay, Northwest Territories

Le p'tit bonheur
St. Boniface, Manitoba

London Status of Women Action Group

Long, Gus
Burnaby, British Columbia

Lower Mainland Association of Private Day Care
Burnaby, British Columbia

MacLure Sheila
Cornwall, Prince Edward Island

MacDonald, Lynn
Frobisher Bay, Northwest Territories

Malenfant, Debbie
Moncton, New Brunswick

Manitoba Association for Childbirth and Family Education

Manitoba Child Care Association 1974 Inc.

Manitoba League of the Physically Handicapped Inc.

Marathon Day Care Committee
Marathon, Ontario

Marlin, Elaine
Ottawa, Ontario

McKean, Lynda
Thornhill, Ontario

Membertou Indian Reserve
Nova Scotia

Mental Health Association in Saskatchewan

Merecki, Nellie
Baker Lake, Northwest Territories

Metro Day Care Coalition — School Age Day Care Committee
Toronto, Ontario

Moll, M.J.
Yellowknife, Northwest Territories

Moncton Boys and Girls Club

Moose Jaw Progressive Conservative Women's Association

Mount Saint Vincent University, Department of Child Study

Multicultural Association of the Greater Moncton Area

National Action Committee on the Status of Women/Comité canadien d'action sur le statut de la femme

National Council of Jewish Women of Canada/Conseil national des femmes juives du Canada
Downsview, Ontario

National Council of Women of Canada/Le conseil national des femmes du Canada
Ottawa, Ontario

National Federation of Nurses' Unions

Nelson Family Day Care Society
Nelson, British Columbia

New Brunswick Advisory Council on the Status of Women

New Brunswick Day Care Association

New Brunswick Department of Social Services/Gouvernement du Nouveau-Brunswick, Ministère des services sociaux

New Brunswick Federation of Labour/Fédération des travailleurs du Nouveau-Brunswick

New Brunswick Native Indian Women's Council

Newfoundland and Labrador Federation of Labour

Niagara Children's Services Committee, Day Nursery Sector

North Shore Cut of School Day Care Association
North Vancouver, British Columbia

North York Inter-Agency Council, Child Care Co-ordinating Committee

Northern Options for Women

Northwest Territories Advisory Council on the Status of Women

Northwest Territories Child Care Association

Northwest Territories, Department of Advanced Education

Nova Scotia Advisory Council on the Status of Women

Nova Scotia Association of Social Workers

Nova Scotia Child Care Council

Oberlein, Helen
Niagara Falls, Ontario

Odawa Native Friendship Centre
Ottawa, Ontario

Oloman, Mab
Vancouver, British Columbia

On se garde nos enfants de la région de Chateauguay, Inc.

Ontario Association of Family Service Agencies

Ontario Coalition for Better Day Care

Ontario Federation for the Cerebral Palsied

Ontario Hydro Workplace Day Care
Toronto, Ontario

Ontario Ministry of Education/Ministère de l'éducation de l'Ontario

Ontario Social Development Council/Conseil de développement social de l'Ontario

Ontario Teachers' Federation/Fédération des enseignants de l'Ontario

Options North
Fort Smith, Northwest Territories

Organisation pour l'éducation préscolaire, Inc.

Oromocto Day Care
Oromocto, New Brunswick

Ottawa YM-YWCA/YM-YWCA d'Ottawa

Ottawa/Carleton Day Care Association

Ottawa/Carleton In-Home Child Care Providers Association

Parent Preschool Resource Centre/Centre de ressources préscolaires
Ottawa, Ontario

Parkdale-Sherwood Headstart Incorporated
Prince Edward Island

Pielak, Laurie
Yellowknife, Northwest Territories

Pladec Day Care Centre
Kingston, Ontario

Planned Parenthood Alberta/ La fédération pour le planning des naissances d'Alberta

Planned Parenthood Federation of Canada/La fédération pour le planning des naissances du Canada

Pleasant Heights After School Care Program
Calgary, Alberta

Port Coquitlam Area Women's Centre

Premier's Council on the Status of Disabled Persons/Conseil du Premier Ministre sur la condition des personnes handicapées
Fredericton, New Brunswick

Preschool Education Association of Nova Scotia

Prince Edward Island Advisory Council on the Status of Women

Prince Edward Island Council for the Disabled

Prince Edward Island Department of Health and Social Services

Price, Marie
Fredericton, New Brunswick

Progressive Conservative Association of Penticton

Provincial Advisory Council on the Status of Women
Newfoundland and Labrador

Public Service Alliance of Canada/Alliance de la fonction publique du Canada

Quebec Council of Parent Participation Preschools/Conseils québécois des pré-maternelles coopératives

Québec Federation of Labour/ Fédération des travailleurs du Québec

Québec Society for Autism/Société québécoise de l'autisme

Rankin Inlet Concerned Citizens
Northwest Territories

Ransby, Marilyn J.
Toronto, Ontario

Rausch, Patricia
Red Deer, Alberta

Red Deer Day Care Society Board

Reesor, Debra J.
Medicine Hat, Alberta

Regent Daycare
Fredericton, New Brunswick

Registered Nurses Association of Nova Scotia

Regroupement des agences de services de garde en milieu familial du Québec

Regroupement des garderies sans but lucratif au Québec

Regroupement des garderies de la région 6C

Richardson, Elinore J.
Montreal, Quebec

Rocky Native Friendship Centre
  Rocky Mountain House, Alberta

Ryerson School of Early Childhood Education

Sackville Family Day Care Association
  Lower Sackville, Nova Scotia

Saskatchewan Action Committee on the Status of Women

Saskatchewan Association for the Mentally Retarded

Saskatchewan Government Employees' Union

Saskatchewan Registered Nurses' Association

Saskatchewan Working Women

Saskatoon Student Child Care Services Incorporated

Scadding Court Community Centre
  Toronto, Ontario

Secrétariat diocésain du M.F.C.
  Montréal, Québec

Shaughnessy Day Care Society

Simon Fraser University Children's Centre

Single Moms Centre
  Corner Brook, Newfoundland

Social Planning Council of Niagara Falls

Social Planning Council of Winnipeg

Solidarity Coalition
  Vancouver, British Columbia

Somerset, Joyce
  Frobisher Bay, Northwest Territories

South End Community Day Care Centre
  Halifax, Nova Scotia

St. Jean's School for the Hearing Impaired
  Prince Edward Island

St. John's Status of Women Council

St. Lawrence College, Early Childhood Education Advisory Committee

St. Monica's Community Day Care
  Toronto, Ontario

Stop Gap Family Care Inc.
  West Hill, Ontario

Sunburst Children's Centre Inc.
  Downsview, Ontario

Surusilakivik Play School
  Frobisher Bay, Northwest Territories

Swan River Day Care Centre Inc.
  Swan River, Manitoba

The Pas Friendship Centre Inc.

Transition House Association
  Charlottetown, Prince Edward Island

United Nurses of Alberta

United Way of the Lower Mainland, Social Planning and Research Department
  Vancouver, British Columbia

Université de Moncton

University of British Columbia, Day Care Council

University of British Columbia, Day Care Staff

University of British Columbia, Department of Language Education

Vancouver Women in Trades Association

Vancouver YWCA

Vanier College, Early Childhood Care Department

Vanier Institute of the Family/Institut Vanier de la famille

WATCH of Manitoba

Wellspring Women's Resource Centre
  Whitecourt, Alberta

West Hill Community Services

West Island Association for the Intellectually Handicapped Inc. / Association de l'ouest de l'île pour les handicapés intellectuels, Inc.
Pointe Claire, Québec

West Island Association for Early Childhood Education / Association de l'ouest de l'île pour l'éducation des jeunes enfants
Montréal, Québec

West Prince Early Childhood Association

West Prince, Prince Edward Island

Western Regional Primary Teacher's Council
Corner Brook, Newfoundland

Whitney Pier Centre
Nova Scotia

Windsor Park Afterschool Care Program
Edmonton, Alberta

Windsor-Essex County Children's Services Coordinating and Advisory Council

Winnipeg Jewish Child and Family Service

Wolstenholme, Sue
Halifax, Nova Scotia

Women Today of Huron County
Clinton, Ontario

Women for the Survival of Agriculture
Winchester, Ontario

Women's Institutes of Nova Scotia

Women's Inter-Church Council of Canada / Conseil oecuménique des chrétiennes du Canada

Women's Network
Charlottetown, Prince Edward Island

Yukon Status of Women Council

YWCA of Yellowknife

Zazelenchuk, Jo-Ann
Saskatoon, Saskatchewan

# Appendix E

## BACKGROUND PAPERS TO THE REPORT

### SERIES 1
### Financing Child Care: Current Arrangements

Financing Child Care Through the Canada Assistance Plan
Monica Townson

Child Care and Taxation in Canada: Who Pays?
Mona G. Brown and Delia J. Power

The Bottom Line: Wages and Working Conditions of Workers in the Formal Day Care Market
Patti Schom Moffatt

Municipal Initiatives in Child Care
Tamra L. Thomson

Government Spending on Child Care in Canada
Christine Blain

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### SERIES 2
### Financing Child Care: Future Arrangements

Toward Universality: An Historical Overview of the Evolution of Education, Health Care, Day Care and Maternity Leave
Nancy Miller Chenier and Dorothy LaBarge

National Day Care Costing Model
DPA Group Inc.

An Overview of Some Federal-Provincial Fiscal Arrangements and Proposed Options for Financing a System of Child Care in Canada
Karen Stotsky

Job Creation in the Child Care Industry
Nancy Tienhaara

A Proposal to Cost-share Operating and Start-up Grants to Day-Care Centres: Ten Year Estimate of the Impact on Day-Care Spaces, Percentage of Need Met, Salaries, User Fees, Employment and Federal Expenditures
Ruth Rose-Lizée

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## SERIES 3
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Day Care Standards in Canada
Hélène Blais Bates

Enforcement of Provincial Day Care Standards
Tamra L. Thomson

Day Care Quality: Its Definition and Implementation
Donna S. Lero and Irene Kyle

The Informal Child Care Market: Public Policy for Private Homes
Nancy Miller Chenier based on research by Hélène Blais Bates

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Steen B. Esbensen

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Monica Townson

A Study of Work-Related Day Care in Canada
Rothman Beach Associates

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## Child Care Needs of Parents and Families

Child Care Needs of Immigrants
Pearl Downie

Parents' Needs, Preferences, and Concerns About Child Care: Case Studies of 336 Canadian Families
Donna S. Lero, et al.

Catalogue No. SW43-1/5-1985E
ISBN: 0-662-14407-4

## SERIES 6
## A Bibliography of Canadian Day Care Research

A Bibliography of Canadian Day Care Research
Dr. Alan R. Pence

Catalogue No. SW43-1/6-1985E
ISBN: 0-662-14408-2

Copies of these papers may be obtained by writing to:

STATUS OF WOMEN CANADA
Communications Unit
151 Sparks Street, Suite 1005
Ottawa, Ontario
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